Via email and posting

September 7, 2022

**TO:** NAESB Members, Gas-Electric Harmonization (GEH) Forum and Interested Parties

**cc:** NAESB Advisory Council

**FROM:** North American Energy Standards Board

**RE:** Announcement & Agenda for the NAESB Gas-Electric Harmonization Forum Meeting – September 23, 2022 from 9:00 am to 12:00 pm Central

Dear NAESB Members, GEH Forum Participants and Interested Parties,

A NAESB Gas-Electric Harmonization Forum meeting has been scheduled for September 23, 2022 from 9:00 am to 12:00 pm Central. During the meeting, the participants will discuss the items identified in the August 30, 2022 FERC and NERC Presentation[[1]](#footnote-1) as “measures to improve the ability of generators to obtain fuel during extreme cold weather events when natural gas heating load and natural gas-fired generators are both in high demand for natural gas, at the same time that natural gas production may have decreased.” Specifically, the meeting will focus items 3.a, 3.a.i, 3.b and 3.c of the GEH Forum Work Plan: <https://www.naesb.org/pdf4/geh_work_plan_090722.docx> (also found on page 3).

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| 3.a | Which entity has authority to require certain natural gas-fired generating units to obtain either firm supply and/or transportation or dual fuel capability, under what circumstances such requirements would be cost-effective, and how such requirements could be structured, including associated compensation mechanisms, whether additional infrastructure buildout would be needed, and the consumer cost impacts of such a buildout | |
|  | 3.a.i | [Recommendation 24] Federal and state entities with jurisdiction over natural gas infrastructure should cooperate to further study and enact measures to address natural gas supply shortfalls during extreme cold weather events, including market/public funding for generators to have firm transportation and supply and invest in storage contracts. Such funding may need to finance infrastructure necessary to provide additional firm transportation capacity, because many existing pipelines were financed and constructed to serve LDCs and may not have sufficient additional firm capacity. |
| 3.b | [Recommendation 24] Possible options for increased regasification of liquid natural gas (including possible Jones Act Waivers) | |
| 3.c | Which entity has authority, and under what circumstances, to take emergency actions to give critical electric generating units pipeline transportation priority second only to residential heating load, during cold weather events in which natural gas supply and transportation is limited but demand is high | |

Prior to the meeting, all interested parties will have an opportunity to submit comments concerning the topics noted above by following the instructions found through this hyperlink: <https://www.naesb.org/pdf4/geh092322w1.docx>. Comments will be accepted through the close of business on **September 14, 2022**. All comments will be posted on the NAESB website shortly after the close of the comment deadline. The comments provided may result in the development of a revised agenda and meeting materials that will be posted at least three business days prior to the meeting.

**To participate in this meeting, please register through the following hyperlink:** <https://us06web.zoom.us/meeting/register/tZUpf-6opjMpGdIMu7XFmbbM_9fUZmQJpAbQ>

When registering, you will be asked to provide your name, company, phone number, email address and to identify with a NAESB Quadrant and segment. A description of the NAESB Quadrants and Segments as well as the NAESB Balanced Voting Procedures can be found through the following hyperlink:

<https://www.naesb.org/pdf4/geh_balanced_voting_quadrant_segment_descriptions.doc>.

Instructions for participation will be provided to you in a separate email confirmation notice after you register. All those that register for the meeting will be added to the NAESB Gas-Electric Harmonization Forum distribution list unless it is specifically requested otherwise. If you received this notice and would like to be removed from the distribution list, please contact the NAESB office. If you know of any colleagues that may have interest in attending this meeting or in following NAESB efforts in this area, please feel free to forward this invitation. Prior to this meeting and any future meetings, participants are encouraged to familiarize themselves with the NAESB Antitrust and Other Meeting Policies (<http://www.naesb.org/misc/antitrust_guidance.doc>). Participants should also be aware that the meetings will be recorded and may be attended by members of the press. An agenda for the meeting can be found on page three of this document. Any related meeting materials will be made available on the GEH Forum website: <https://www.naesb.org/naesb_geh_forum.asp>.

As noted in the meeting announcement, a schedule of meetings and related activities has been developed by the Chairs of the Forum and posted on the GEH Forum webpage: <https://www.naesb.org/pdf4/geh_schedule.docx>. As additional meeting dates and agenda topics are added, the document will be updated and reposted on the GEH Forum webpage.

Thank you again for your interest in this effort, and please do not hesitate to call our office if you need additional information.

NAESB Staff

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**NAESB GAS-ELECTRIC HARMONIZATION FORUM**

**Friday, September 23, 2022 – 9:00 am to 12:00 pm Central**

**agenda**

**1.** Administrative Items and Introductions

Welcome

Antitrust & Other Meeting Policies: <http://www.naesb.org/misc/antitrust_guidance.doc>

**2.** Discussion Items – Category 3

Which entity has authority to require certain natural gas-fired generating units to obtain either firm supply and/or transportation or dual fuel capability, under what circumstances such requirements would be cost-effective, and how such requirements could be structured, including associated compensation mechanisms, whether additional infrastructure buildout would be needed, and the consumer cost impacts of such a buildout

Federal and state entities with jurisdiction over natural gas infrastructure should cooperate to further study and enact measures to address natural gas supply shortfalls during extreme cold weather events, including market/public funding for generators to have firm transportation and supply and invest in storage contracts. Such funding may need to finance infrastructure necessary to provide additional firm transportation capacity, because many existing pipelines were financed and constructed to serve LDCs and may not have sufficient additional firm capacity.

Possible options for increased regasification of liquid natural gas (including possible Jones Act Waivers)

Which entity has authority, and under what circumstances, to take emergency actions to give critical electric generating units pipeline transportation priority second only to residential heating load, during cold weather events in which natural gas supply and transportation is limited but demand is high

**3.** Next Steps & Other Business

**4.** Adjournment

| **NAESB Gas Electric Forum Work Plan** | | | | |
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| Key Recommendation 7 Directive: | | | | “The time has come for a concerted effort among those who can address the natural gas-electric infrastructure interdependency problem to consider the topics set forth above [below], or other topics of their own choosing.”[[2]](#footnote-2) |
| Forum Outcome Goals: | | | | * Concrete actions to increase reliability of the natural gas infrastructure system necessary to support [the] Bulk Electric System * Plans for implementing actions * Deadlines for implementing actions * Identifying entities responsible for implementing actions |
| Process Description | | | | Meetings will be held via the Zoom platform on dates specified in the meeting schedule, and all meetings will be recorded: <https://www.naesb.org/pdf4/geh_schedule.docx>  Participation in the meetings is open to all interested parties, and registration for each meeting is required  An opportunity to submit topic specific recommendations and comments prior to each meeting will be provided via an electronic survey, if appropriate, and all submissions will be made publicly available. A general agenda for each meeting specifying the topic(s) of discussion will be released two weeks prior to the meeting date and all work papers and revisions to agendas will be posted at least three business days before each meeting  Participants will have a minimum of five business days to respond to requests for recommendations and comments, and all submissions will be due at least one week prior to each meeting.  Participants must identify with a NAESB Quadrant and Segment or as a non-voting observer when registering for meetings. Any voting will be conducted utilizing the NAESB Balanced Voting Procedures and all votes will be made publicly available: <https://www.naesb.org/pdf4/geh_balanced_voting_quadrant_segment_descriptions.doc>  A meeting summary and any resulting documentation will be provided the week following the meeting. |
| Categories Identified by FERC and NERC Staff[[3]](#footnote-3) | | | | 1. Measures to improve gas-electric information sharing for improved system performance during extreme cold weather emergencies 2. Measures to improve reliability of natural gas facilities during cold weather (freeze protection, electric supply) 3. Measures to improve the ability of generators to obtain fuel during extreme cold weather events when natural gas heating load and natural gas-fire generators are both in high demand for natural gas, at the same time that natural gas production may have decreased |
| **Topics by Category as Identified by FERC and NERC Staff** | | | | |
| **1. Measures to improve gas-electric information sharing for improved system performance during extreme cold weather emergencies** | | | | |
| 1.a | Whether and how natural gas information could be aggregated on a regional basis for sharing with Bulk Electric System operators in preparation for and during events in which demand is expected to rise sharply for both electricity and natural gas, including whether creation of a voluntary natural gas coordinator would be feasible | | | |
| 1.b | Expanding/revising natural gas demand response/interruptible customer programs to better coordinate the increasing frequency of coinciding electric and natural gas peak load demands and better inform natural gas consumers about real-time pricing | | | |
| 1.c | Electric and natural gas industry interdependencies (communications, contracts, constraints, scheduling) | | | |
| **2. Measures to improve reliability of natural gas facilities during cold weather (freeze protection, electric supply)** | | | | |
| 2.a | Additional state actions (including possibly establishing an organization to set standards, as NERC does for Bulk Electric System entities) to enhance the reliability of intrastate natural gas pipelines and other intrastate natural gas facilities | | | |
| 2.b | Programs to encourage and provide compensation opportunities for natural gas infrastructure facility winterization | | | |
|  | 2.b.i | | *[Recommendation 24]* *Federal and state entities with jurisdiction over natural gas infrastructure should cooperate to further study and enact measures to address natural gas supply shortfalls during extreme cold weather events, including possible financial incentives for the natural gas infrastructure system necessary to support the BES to winterize or otherwise prepare to perform during extreme cold weather events.* | |
| 2.c | Methods to streamline the process for, and eliminate barriers to, identifying, protecting, and prioritizing critical natural gas infrastructure load *[See also Recommendation 28 – Guidelines to identify critical natural gas facility loads]* | | | |
| **3. Measures to improve the ability of generators to obtain fuel during extreme cold weather events when natural gas heating load and natural gas-fired generators are both in high demand for natural gas, at the same time that natural gas production may have decreased** | | | | |
| 3.a | Which entity has authority to require certain natural gas-fired generating units to obtain either firm supply and/or transportation or dual fuel capability, under what circumstances such requirements would be cost-effective, and how such requirements could be structured, including associated compensation mechanisms, whether additional infrastructure buildout would be needed, and the consumer cost impacts of such a buildout | | | |
|  | 3.a.i | *[Recommendation 24] Federal and state entities with jurisdiction over natural gas infrastructure should cooperate to further study and enact measures to address natural gas supply shortfalls during extreme cold weather events, including market/public funding for generators to have firm transportation and supply and invest in storage contracts. Such funding may need to finance infrastructure necessary to provide additional firm transportation capacity, because many existing pipelines were financed and constructed to serve LDCs and may not have sufficient additional firm capacity.* | | |
| 3.b | *[Recommendation 24] Possible options for increased regasification of liquid natural gas (including possible Jones Act Waivers)* | | | |
| 3.c | Which entity has authority, and under what circumstances, to take emergency actions to give critical electric generating units pipeline transportation priority second only to residential heating load, during cold weather events in which natural gas supply and transportation is limited but demand is high | | | |
| 3.d | Whether resource accreditation requirements for certain natural gas-fired generating units should factor in the firmness of a generating unit’s gas commodity and transportation arrangements and the potential for correlated outages for units served by the same pipeline(s) | | | |
| 3.e | Whether there are barriers to the use of dual-fuel capability that could be addressed by changes in state or federal rules or regulations. Dual-fuel capability can help mitigate the risk of loss of natural gas fuel supply, and issues to consider include facilitating testing to run on the alternate fuel, ensuring an adequate supply of the alternate fuel and obtaining the necessary air permits and air permit waivers. The forum could also consider the use of other resources which could mitigate the risk of loss of natural gas fuel supply | | | |
| 3.f | Increasing the amount or use of market-area and behind-the-city-gate natural gas storage | | | |
| 3.g | *[Recommendation 24] Federal and state entities with jurisdiction over natural gas infrastructure should cooperate to further study and enact measures to address natural gas supply shortfalls during extreme cold weather events, including possible investments in strategic natural gas storage facilities, which could be located to serve the majority of pipelines supplying natural gas-fired generating units, and preserved for use during extreme cold weather events* | | | |
| 3.h | Whether or how to increase the number of “peak-shaver” natural gas-fired generating units that have on-site liquid natural gas storage. | | | |

1. The August 30, 2022 FERC NERC Presentation can be found through the following hyperlink: <https://www.naesb.org/pdf4/geh083022a1.pdf> [↑](#footnote-ref-1)
2. See page 196 of the Report: <https://www.naesb.org/pdf4/ferc_nerc_regional_entity_staff_report_Feb2021_cold_weather_outages_111621.pdf> [↑](#footnote-ref-2)
3. See slide 10 of the August 30, 2022 FERC and NERC Presentation: <https://www.naesb.org/pdf4/geh083022a1.pdf> [↑](#footnote-ref-3)