R04016 – Energy Day

Problem Statement

Develop a standard energy day that would:

- Apply to both the electric and gas industries.
- Foster the coordination of scheduling between electric and gas.
- Allow both the electric and gas industries to more closely match fuel deliveries to generation requirements.
- Contain scheduling and gas flow timelines that also meet the needs of traditional gas customers.
- Continue to promote safe, reliable service and operations.

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DISCLOSURE/COMMENTARY

- This proposal is intended to advance discussion within NAESB and to provide a more complete record for FERC.
- This proposal does not represent the final position of National Fuel Gas Distribution (NFGD).
- The development of energy day standards is one component of the gas-electric coordination issue – no one should expect that a standard energy day would resolve all such issues.
- A standard energy day or better coordinated scheduling for each commodity may, however, provide a valuable framework for resolution of these issues.
- Gas-fired electric generation is an important and growing segment of the market but traditional gas customers will remain the largest segment of the market. Any changes to existing standards must continue to accommodate these customers.
- There should be industry consensus that proposed changes are worthwhile and that actual problems will be resolved.

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Proposal

1. Change the Standard Gas Day (SGD) by 3 hours to begin at 6:00 A.M. Central Time (CT) and

   (a) create a Standard Electric Day (SED) beginning at

   6:00 A.M. CT or

   (b) create a SED beginning at 1:00 A.M. CT.

2. Develop a Standard requiring that the electric Day Ahead Market schedule should be issued in advance of the gas Timely Nomination Deadline, e.g. 10:00 AM CT.

3. Create a “no-bump” Intraday 3 nomination cycle to the gas scheduling timeline and make corresponding modifications to capacity release/recall standards.

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Proposal (continued)

Development of standards supporting the above three concepts should take place within each wholesale quadrant to the maximum possible extent, i.e. such development need not be a cross-quadrant activity.

- Other than agreement on the highest level concepts, the expertise to develop supporting standards lies within each quadrant (WEQ and WGQ).
- The NAESB reconsideration process, as well as the number of industry participants who would participate in both WEQ and WGQ standards development meetings, acts as a check on either quadrant making a standards development ‘misstep’.

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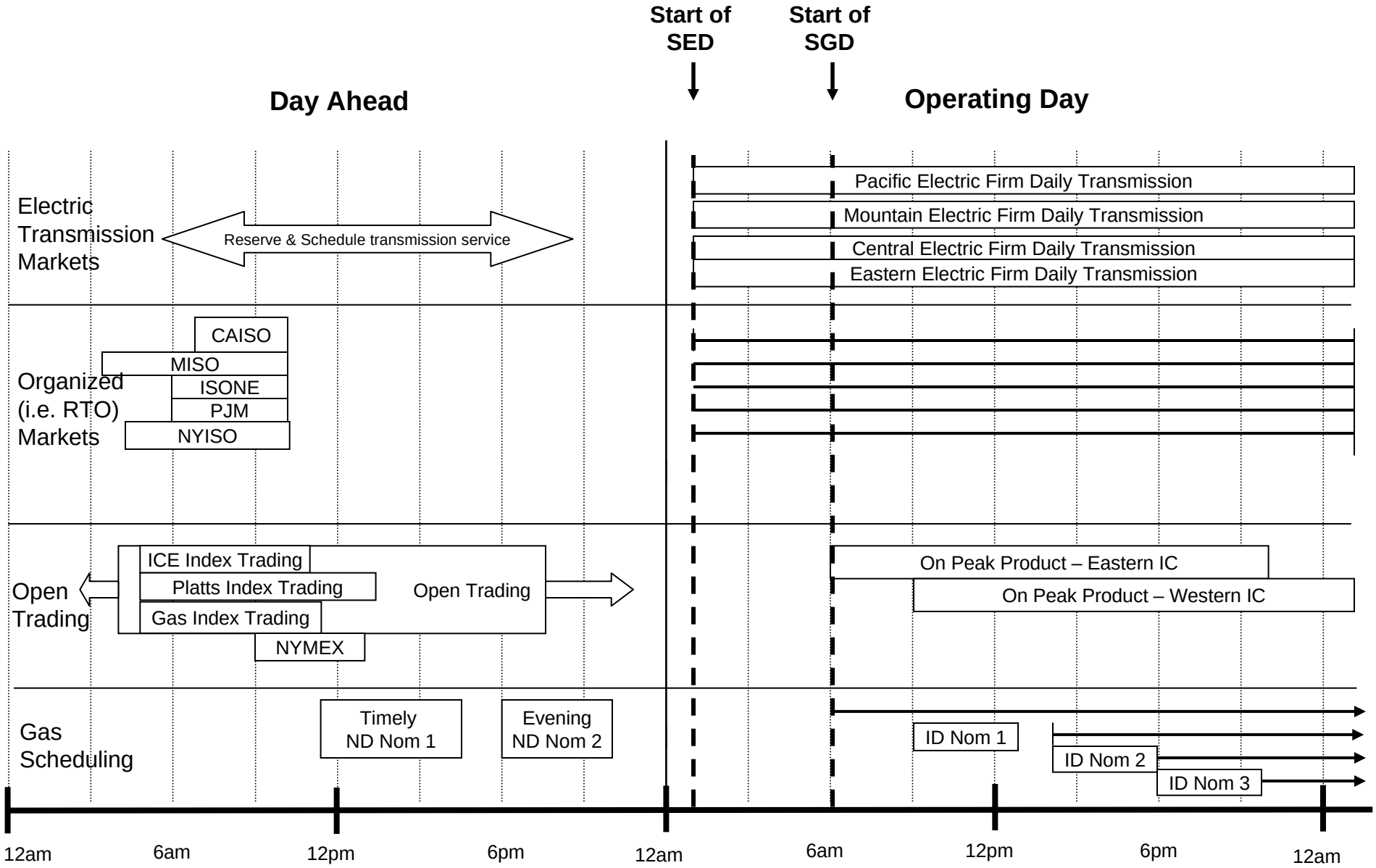
General Considerations

- The traditional gas peak falls between 6:00 AM and 10:00 AM with the highest consumption between 7:00 AM and 9:00 AM, local time.
- There are exceptions, particularly for gas utilities with large gas-fired generation loads leading to another gas peak during late afternoon.
- On-Peak Electric Periods fall between 7:00 AM (6:00 AM CT) and 11:00 PM (1:00 AM CT).

It is impossible to match every gas flow start time with every peak consumption period but pipelines and some utilities, based upon availability of appropriate assets and services, can make close good enough.


Start of SED
Start of SGD
Day Ahead
Operating Day
Electric Transmission Markets
Reserve & Schedule transmission service
Pacific Electric Firm Daily Transmission
Mountain Electric Firm Daily Transmission
Central Electric Firm Daily Transmission
Eastern Electric Firm Daily Transmission
Organized (i.e. RTO) Markets
CAISO
MISO
ISONE
PJM
NYISO
Open Trading
ICE Index Trading
Platts Index Trading
Gas Index Trading
NYMEX
Open Trading
On Peak Product – Eastern IC
On Peak Product – Western IC
Gas Scheduling
Timely ND Nom 1
Evening ND Nom 2
ID Nom 1
ID Nom 2
ID Nom 3
12am
6am
12pm
6pm
12am
6am
12pm
6pm
12am

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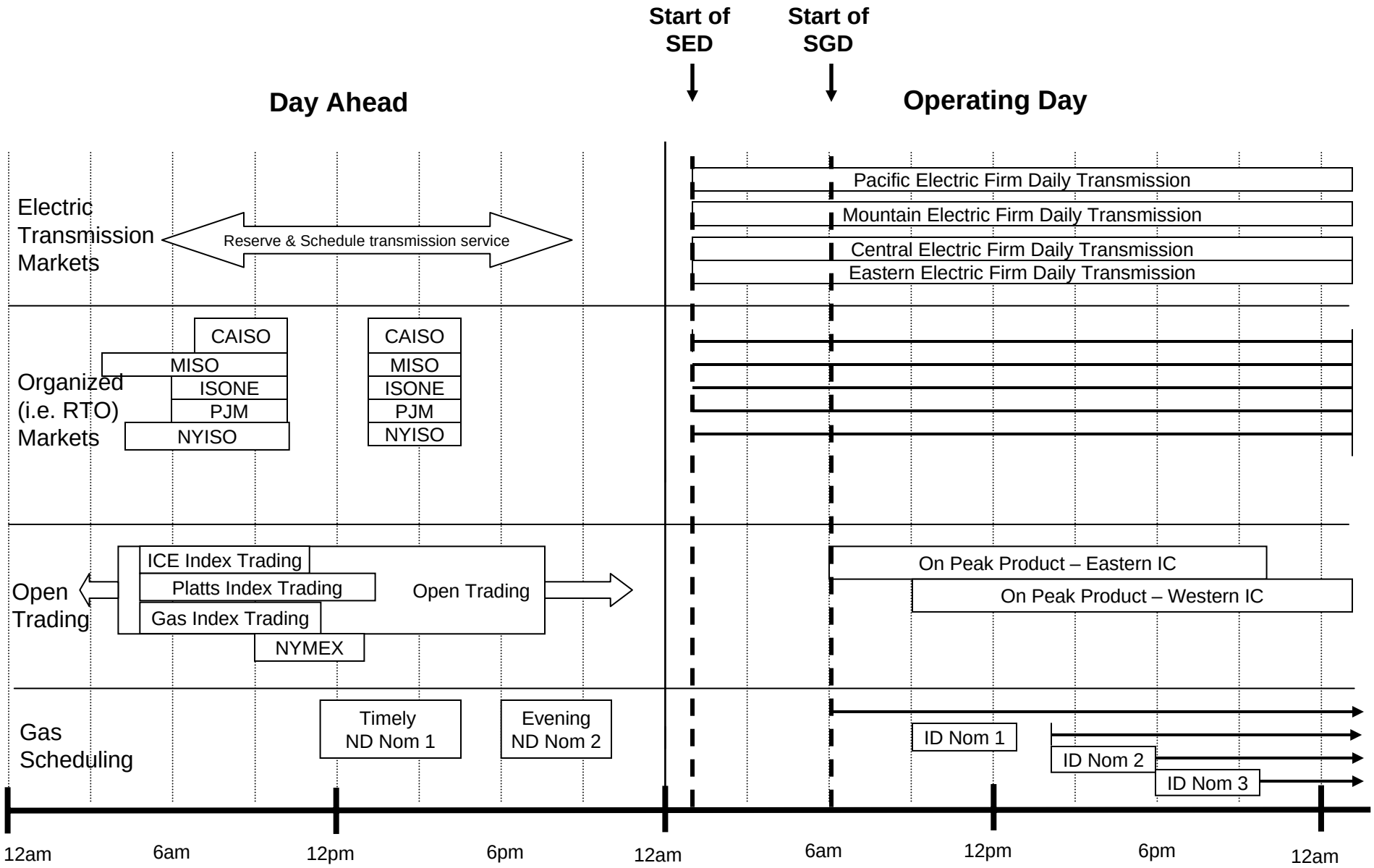
Question for the Electric Industry

Can the Day Ahead Scheduling process be reconfigured to be similar to and coordinated with the gas timeline's Timely and Evening Cycles?

In other words, rather than debate whether it makes sense to issue the the DAM Schedule before or after the Timely nomination deadline, why not issue it twice?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On Peak Product – Eastern IC
On Peak Product – Western IC
Gas Scheduling
Timely ND Nom 1
Evening ND Nom 2
ID Nom 1
ID Nom 2
ID Nom 3
12am
6am
12pm
6pm
12am
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6pm
12am

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QUESTIONS?