Business Practices Subcommittee
WEQ/WGQ Energy Day Subcommittee
March 1-2, 2005

Proposed Standards

Pipeline Segment Workpaper –Revised 2/24/05
Suggested Changes to Posted Proposed Standards

D1
A Power Plant Operator (PPO) is a Point Operator (or that Point Operator's agent) who has direct control over the requirements and operations of one or more natural gas-fired electric generating facilities and is responsible for coordinating natural gas deliveries to meet those requirements.

S1
Communications between the Transportation Service Provider (TSP) and the Power Plant Operator (PPO) should be used in addition to the NAESB WGQ standard nomination timeline and scheduling processes for the TSP's contract / tariff services.

S2

At power plant delivery locations where the Transportation Service Provider (TSP) provides contract / tariff services that allow non-uniform hourly flows and for which there are previously scheduled quantities for such services, the Power Plant Operator (PPO) and the TSP should use the following communication procedures regarding hourly operational flows:

1) Prior to the effective day of flow, a PPO should communicate to the TSP's designated contact its initial hourly operational flow requirements for a gas day.
2) As soon as any changes to hourly operational flow requirements are known, a PPO should communicate such changes to the TSP's designated contact.
3) If at any time the hourly flow requirements provided in 1) and 2) above cannot be allowed by the TSP, the TSP should advise the PPO as soon as practicable.
4.) The communication of hourly operational flow requirements, provided in 1) and 2) above, should only address variations in hourly operational flow rates for previously scheduled quantities and should not include changes in daily scheduled quantities.

When the PPO is communicating its requirements to the TSP, the communication should include the applicable delivery location(s), the effective date, and the forecasted operational flow quantity(s) by hour.

In the event of conflicts between this standard and the TSP's existing tariff or general terms and conditions, the latter will prevail.

S3 – delete and replace with S3A

S4 – delete and replace with S3A

S3A *(Includes language from S3 and S4)* –

A Service Requester submitting a request for gas delivery should use the NAESB WGQ standard nomination timeline and scheduling processes. However, at power plant delivery locations, when a Power Plant Operator (PPO) identifies an operational need for increases or reductions to scheduled quantities outside the standard nomination cycle(s), should immediately notify the Transportation Service Provider (TSP) of such requirements, and the PPO and TSP should work together to resolve the disposition of the specified requirements based upon the appropriate application of tariff requirements, business practices, or other similar provisions.

At power plant delivery locations where the TSP provides contract / tariff services that allow non-uniform hourly flows or at locations where the PPO may request non-uniform hourly flows, the PPO and the TSP should use the following communication procedures:

1) The PPO should communicate its request for anticipated daily and hourly requested gas flows to the TSP's designated contact.

2) The TSP should:
    a. Accept or deny the PPO's specific request based on the TSP's contract / tariff provisions and/or the TSP's ability to allow gas flow based on conditions at the time of the request, without impacting services that have been previously scheduled, anticipated flows, firm contract requirements, and/or general system operations.
    b. Notify the PPO if a previously requested gas flow can no longer be allowed.

Such communication should include the applicable Service Requester Contract, the receipt and/or delivery location(s), the effective gas day, the requested gas flow quantity(s) by hour and the total requested gas flow quantity for the gas day.

In the event of conflicts between this standard and the TSP's existing tariff or general terms and conditions, the latter will prevail.

S5 (?) *(Could eventually be included in S3A) - Delete*

P1 (formerly the first part of S-6)
Regional Transmission Operators, Independent System Operators should work with their interconnected Transportation Service Providers (TSPs) to ensure that clear communications exist between such parties. Regular communication procedures, if necessary, should include, but not be limited to the following:

- Weather and temperature forecasts for the upcoming period; and

- Informational Postings by the TSP as required by NAESB WGQ Standard 4.3.23.

S-6 (The remainder of the previous S-6 is applicable to WEQ only. It needs modifications to include Summer/Hot Weather conditions and consistency of terms with other proposed standards)

Electric generator operators should develop a seven (7) day Capacity Margin forecast each week based on the communications above, which includes an assessment of:

- notices issued by gas pipelines and the potential impact on gas unit availability; and
- weather forecast and the potential impact of Cold Weather Conditions (temperatures below zero) on gas unit availability.

Electric generator operators should develop a Cold Weather Conditions analysis based on the weekly Capacity Margin forecast and declare each day in coming week as: Cold Weather Watch, Cold Weather Warning, Cold Weather Event, or No Cold Weather Conditions.

- Electric generator operators should review and update the Cold Weather Conditions analysis daily.

Electric generator operators should complete an assessment of the weather conditions and electric generation capacity situation for the winter months, and if the effective temperature is less than or equal to O^{o} F, declare a:

- **Cold Weather Watch** if the electric generation capacity margin is at least 1000 MW.
- **Cold Weather Warning** if the electric generation capacity margin is below 1000 MW.
- **Cold Weather Event** if the electric generation capacity margin is below 0 MW requiring emergency actions to deal with a capacity deficiency.

In the event a Cold Weather Watch is declared, the electric generator operator will:

- post special notice to the electric generator operator's website
- notify satellite control centers
- cancel Economic Outages if capacity margin drops below 1000 MW
- notify state regulators (utility commissions and air regulators)

In the event a Cold Weather Warning is declared, the electric generator operator will:

- request that dual-fuel units to take steps to switch to oil
- notify state regulators (utility commissions and air regulators)
- cancel Economic Outages
- alert demand response resources to prepare for activation if a capacity deficiency is declared

In the event a Cold Weather Event is declared, the electric generator operator will:

- shift the wholesale electric market timeline from 12 noon to 9 a.m. day prior to Operating Day
- complete a commitment analysis from 9 a.m. day prior to Operating Day
- provide notice of use to gas generation units that will be needed. Notification will take place between 9:30 a.m. and 10 a.m. day prior to Operating Day
- complete a daily review of gas nominations to determine if gas units have confirmed gas supplies
- request that gas units with the capability to burn oil to switch to oil
- cancel Economic Outages
- notify state regulators (including air regulators), Electric & Gas Operations Committee, and market participants
- notify neighboring electric generator operators of potential capacity shortage

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D1
A Power Plant Operator (PPO) is a Point Operator (or that Point Operator's agent) who has direct control over the requirements and operations of one or more natural gas-fired electric generating facilities and is responsible for coordinating natural gas deliveries to meet those requirements.

S1
Communications between the Transportation Service Provider (TSP) ~~—~~and the Power Plant Operator (PPO) ~~communications~~ should ~~supplement~~ be used in addition to ~~existing~~ the NAESB WGQ standard nomination timeline and ~~TSP~~ scheduling processes for the TSP's contract / tariff ~~and~~ services. ~~Where the TSP supports non-uniform flow rate services, those services should be used by parties requiring non-uniform flow rates, and the TSP's scheduling processes and non-uniform flow rate services should have priority over any quantities or flow rates requested and/or accepted in the TSP-PPO communication process.~~

S2 ~~Pipeline-Power Plant Communications for Scheduled Flows~~

At power plant delivery locations where the Transportation Service Provider (TSP) provides contract / tariff services that allow non-uniform hourly flows and for which there are previously scheduled quantities for such services, ~~T~~the ~~p~~Power ~~p~~Plant ~~o~~Operator (PPO) and the ~~Transportation Service Provider (TSP)~~ TSP should use the following communication procedures regarding hourly operational flows~~for locations at which the TSP allows non-uniform hourly flows~~:

~~1) Hourly operational flow communications should only indicate variations in hourly operational flow rates for previously scheduled quantities and should not include changes in daily scheduled quantities.~~

~~2~~1) Prior to the effective day of flow, ~~A~~a PPO should communicate to the TSP's designated contact~~:~~

~~a.~~ its initial hourly operational flow requirements for a gas day ~~prior to the effective day of flow;~~.

~~b.~~ 2) As soon as any changes to hourly operational flow requirements are known, a PPO should communicate such changes to the TSP's designated contact. ~~any changes to the hourly operational flow requirements that were previously provided to the TSP as soon as such changes are known.~~

3) If at any time the hourly flow requirements provided in 1) and 2) above cannot be allowed by the TSP, the TSP should advise the PPO as soon as practicable.

4.) The communication of hourly operational flow requirements, provided in 1) and 2) above, should only address variations in hourly operational flow rates for previously scheduled quantities and should not include changes in daily scheduled quantities.

When the PPO is communicating its requirements to the TSP, the ~~Such~~ communication should include the applicable delivery location(s), the effective date, and the forecasted operational flow quantity(s) by hour.

In the event of conflicts between this standard and the TSP's existing tariff or general terms and conditions, the latter will prevail.

S3 – delete and replace with S3A
~~Pipeline-Power Plant Communications for Unscheduled Flows~~

~~Requests for gas delivery should use the established nomination schedule and practices. Only under [unplanned situations when it is anticipated that system conditions may not meet NERC or regional reliability criteria] and the power plant operator (PPO) has contracted for services which allow for out-of-cycle nominations or no-notice flows should this procedure be used. The PPO and the Transportation Service Provider (TSP) should use the following communication procedures for locations at which the TSP supports non-uniform hourly flows:~~

~~1)Under no condition is a TSP required to proceed with the following process if the TSP cannot allow the gas flow.~~

~~2) A PPO should communicate to the TSP's designated contact its initial hourly operational flow requirements for gas flow needed outside of the existing timelines when a nomination is not in place.~~

~~3)The TSP should approve or deny the PPO's specific request based on the TSP's ability to allow gas flow without impacting existing, scheduled services or anticipated no-notice flows.~~

~~4)Any unscheduled quantity is nominated by the PPO at the next available nomination cycle.~~

~~5)Hourly operational flow communications should indicate variations in hourly operational flow rates.~~

~~Such communication should include the applicable delivery location(s), the effective date and the forecasted operational flow quantity(s) by hour.~~

~~In the event of conflicts between this standard and the TSP's existing tariff or general terms and conditions, the latter will prevail.~~

~~Transporter will, on a non discriminatory basis, accept process and allow nominations to be scheduled between the standard nomination cycles if operating conditions so permit, such nominations can be confirmed and such nominations will not result in the interruption of gas previously scheduled. Such nominations will be scheduled on a first come first serve basis.~~

S4 – delete and replace with S3A

~~When the PPO identifies the need to schedule gas flow outside the standard nomination cycle(s), the PPO should immediately notify the TSP of that need and the [PPO and] TSP should [work together to] resolve the disposition of that need based upon the appropriate application of tariff requirements, business practices, or other similar provisions.~~

S3A *(Includes language from S3 and S4)* –~~Pipeline-Power Plant Communications for Unscheduled Flows~~

A Service Requester submitting a ~~R~~requests for gas delivery should use the ~~established~~ NAESB WGQ standard nomination timeline and scheduleing ~~services and practices~~processes ~~to the greatest extent possible~~. However, at power plant delivery locations, when ~~the~~ a ~~p~~Power ~~p~~Plant ~~o~~Operator (PPO) identifies an operational ~~the~~ need ~~to schedule~~ for increases or reductions to ~~gas flow~~ scheduled quantities outside the standard nomination cycle(s), ~~the PPO~~ should immediately notify the Transportation Service Provider (TSP) of ~~that need~~such requirements, and the ~~[~~PPO and~~]~~ TSP should ~~[~~work together to~~]~~ resolve the disposition of ~~that need~~the specified requirements based upon the appropriate application of tariff requirements, business practices, or other similar provisions.

At power plant delivery locations where the TSP provides contract / tariff services that allow non-uniform hourly flows or at locations where the PPO may request non-uniform hourly flows, ~~T~~the ~~power plant operator (~~PPO~~)~~ and the ~~Transportation Service Provider (~~TSP~~)~~ should use the following communication procedures~~: for locations at which the TSP supports non-uniform hourly flows:~~

~~1)Under no condition is a TSP required to proceed with the following process if the TSP cannot allow the requested gas flow.~~

1) The ~~A~~ PPO should communicate its request for ~~to the TSP's designated contact its initial~~anticipated daily and hourly requested gas~~operational~~ flows to the TSP's designated contact~~requirements for gas flow requirements that are determined to be outside of the existing timelines when the required quantities have not been scheduled~~.

~~3)~~2) The TSP should:

a. ~~a~~Accept or deny the PPO's specific request based on the TSP's contract / tariff provisions and/or the TSP's ability to allow gas flow based on conditions at the time of the request, ~~and~~ without impacting ~~existing, scheduled~~ services that have been previously scheduled,~~or~~ anticipated ~~no notice~~ flows, firm contract requirements, and/or general system operations.

b. ~~n~~Notify the PPO if a previously ~~accepted~~ requested gas flow ~~request~~ can no longer be ~~supported~~allowed.

~~c.handle imbalances created as a result of the acceptance of a request to flow unscheduled quantities pursuant to its tariff imbalance provisions.~~

~~4)Any unscheduled quantity is nominated by the PPO at the next available nomination cycle.~~

Such communication should include the applicable Service Requester Contract, the receipt and/or delivery location(s), the effective gas ~~date~~day, ~~and~~ the ~~forecasted~~

~~operational~~ requested gas flow quantity(s) by hour and the total requested gas flow quantity for the gas day.

In the event of conflicts between this standard and the TSP's existing tariff or general terms and conditions, the latter will prevail.

S5 (?) ***(Could eventually be included in S3A)*** ***- Delete***

~~The Transportation Service Provider (TSP) should, on a non-discriminatory basis, accept, process, and allow requests for unscheduled gas flows between the standard nomination cycles, if operating conditions permit such flow without interruption of previously scheduled quantities. Such requests should be processed on a first-come first-serve basis.~~

~~**S6**~~**P1** (formerly the first part of S-6)

~~Electric generator operator~~Regional Transmission Operators, Independent System Operators ~~and gas system operators~~should work with their interconnected Transportation Service Providers (TSPs) ~~should~~ to ensure that clear communications exist between such parties. ~~establish r~~Regular communication procedures, if necessary, ~~.~~

- ~~Electric generator operators and gas system operators should communicate at least weekly during the winter months.~~

~~Communications~~ should include, but not be limited to the following:

- Weather and temperature forecasts for the upcoming period; and
- Informational Post~~ed~~ings by the TSP as required by NAESB WGQ Standard 4.3.23. ~~notices by pipeline operators;~~
- ~~Equipment-related restrictions on gas supply; and~~
- ~~Overall capacity requirements to serve electric load in the electric generator operator's area.~~

~~During unanticipated extreme winter weather conditions, electric generator operators should have access to gas pipelines' Electronic Bulletin Boards to check a generating unit's availability.~~

~~During unanticipated extreme winter weather conditions, electric generator operators should have access to information on the service level details (firm vs. interruptible) of gas pipeline contracts for gas-fired electric generating units.~~

S-6 (The remainder of the previous S-6 is applicable to WEQ only. It needs modifications to include Summer/Hot Weather conditions and consistency of terms with other proposed standards)

Electric generator operators should develop a seven (7) day Capacity Margin forecast each week based on the communications above, which includes an assessment of:

- notices issued by gas pipelines and the potential impact on gas unit availability; and
- weather forecast and the potential impact of Cold Weather Conditions (temperatures below zero) on gas unit availability.

Electric generator operators should develop a Cold Weather Conditions analysis based on the weekly Capacity Margin forecast and declare each day in coming week as: Cold Weather Watch, Cold Weather Warning, Cold Weather Event, or No Cold Weather Conditions.

- Electric generator operators should review and update the Cold Weather Conditions analysis daily.

Electric generator operators should complete an assessment of the weather conditions and electric generation capacity situation for the winter months, and if the effective temperature is less than or equal to O^{o} F, declare a:

- **Cold Weather Watch** if the electric generation capacity margin is at least 1000 MW.
- **Cold Weather Warning** if the electric generation capacity margin is below 1000 MW.
- **Cold Weather Event** if the electric generation capacity margin is below 0 MW requiring emergency actions to deal with a capacity deficiency.

In the event a Cold Weather Watch is declared, the electric generator operator will:

- post special notice to the electric generator operator's website
- notify satellite control centers
- cancel Economic Outages if capacity margin drops below 1000 MW
- notify state regulators (utility commissions and air regulators)

In the event a Cold Weather Warning is declared, the electric generator operator will:

- request that dual-fuel units to take steps to switch to oil
- notify state regulators (utility commissions and air regulators)
- cancel Economic Outages
- alert demand response resources to prepare for activation if a capacity deficiency is declared

In the event a Cold Weather Event is declared, the electric generator operator will:

- shift the wholesale electric market timeline from 12 noon to 9 a.m. day prior to Operating Day
- complete a commitment analysis from 9 a.m. day prior to Operating Day
- provide notice of use to gas generation units that will be needed. Notification will take place between 9:30 a.m. and 10 a.m. day prior to Operating Day
- complete a daily review of gas nominations to determine if gas units have confirmed gas supplies
- request that gas units with the capability to burn oil to switch to oil
- cancel Economic Outages
- notify state regulators (including air regulators), Electric & Gas Operations Committee, and market participants
- notify neighboring electric generator operators of potential capacity shortage