



NORTH AMERICAN ENERGY STANDARDS BOARD

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July 31, 2023

NAESB SUBMITS GAS-ELECTRIC FORUM REPORT TO FERC & NERC

On Friday, July 28, 2023, the North American Energy Standards Board (NAESB) submitted a report to Federal Energy Regulatory Commission (FERC) Chairman Willie Phillips and Jim Robb, President and CEO of the North American Electric Reliability Corporation (NERC) describing 20 recommendations for action that the energy industry and its regulators could consider to improve the reliability of the natural gas infrastructure as necessary to support the bulk electric system (BES) and address the recurring challenges stemming from natural gas-electric interdependency. The recommendations in the report were developed in response to the July 29, 2022 request of then FERC Chairman Richard Glick and Mr. Robb that the organization establish a forum to address Key Recommendation 7 of the November 16, 2021 FERC, NERC, and Regional Entity Staff Report on the February 2021 Cold Weather Outages in Texas and the South-Central United States (Report). In the letter, Chairman Glick and Mr. Robb noted that NAESB “is uniquely positioned to provide support in addressing the Report recommendation,” and asked that NAESB “take steps to expeditiously convene the forum discussed in the Report and others like it (such as the 2014 Polar Vortex report).”

In response, NAESB reconvened its Gas-Electric Harmonization (GEH) Forum and asked NAESB Advisory Council members Robert Gee, Dr. Sue Tierney, Pat Wood, III to lead the effort as the Forum’s chairs. Over the last year, the GEH Forum met 14 times and included the participation of 741 individuals representing more than 370 different organizations from all segments of the industry. The report describes 20 recommendations for action to be considered by industry participants, the FERC, the National Association of Regulatory Utility Commissioners (NARUC), state public utility commissions, and/or applicable state authorities, and the U.S. Department of Energy (DoE) to improve the efficiency and reliability of the interactions between the natural gas and electric markets. NAESB has undertaken several efforts over the last 20 years intended to strengthen coordination between the two markets, and collaboration has never been more critical as reliance on natural gas as a fuel source for electric generation has intensified and the interdependencies of the two markets have continued to grow.

Among others, recommendations in the report include activities to expand information sharing between natural gas pipelines, operators of natural gas production and processing facilities and BES operators to improve situational awareness concerning the availability of resources necessary to support the reliability of the power grids. Recommendations for state action were also made to enhance transparency of the intrastate pipeline system, similar to that of the interstate pipeline system, and to engage with producers, marketers and intrastate pipelines to ensure that such parties’ operations are fully functioning on a 24/7 basis in preparation for and during events in which extreme weather is forecasted. Votes by GEH Forum participants were taken on each of the 20 recommendations utilizing NAESB’s industry-balanced voting procedures, and the recommendations received various levels of support by the different industry sectors. The results of the votes are included in the report as well as supplemental comments that were submitted by organizations that participated in the process.

Additionally, a foreword to the report was drafted by Mr. Gee, Dr. Tierney, and Mr. Wood providing their collective perspectives on the effort outside of their role as facilitators of the Forum activities.

NAESB’s Chairman, Michael Desselle, stated that, “On behalf of NAESB, we are extremely grateful for the leadership of our chairs and the time and expertise that they volunteered to support the organization as it responded to the request as well as for the industry’s commitment to come together and discuss the thorny issues that were identified.” Jonathan Booe, NAESB Executive Vice President and Chief Operating Officer, noted that, “NAESB will standby and is willing to able to address any actions that are deemed appropriate for standards development under the organization’s American National Standards Institute accredited process.”



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The final report can be found through the following hyperlink:

https://www.naesb.org/pdf4/geh_final_report_072823.pdf.

For more information, please contact the NAESB office (713) 356-0060.

The North American Energy Standards Board (NAESB) serves as an industry forum for the development and promotion of standards which will lead to a seamless marketplace for wholesale and retail natural gas and electricity, as recognized by its customers, business community, participants, and regulatory entities. It is composed of about three hundred corporate members in the energy industry and many more non-member volunteers who contribute to the drafting and adopting of NAESB standards. To learn more about NAESB, go to www.naesb.org.