



July 10, 2023

Submitted Electronically

North American Energy Standards Board
1415 Louisiana Street, Suite 3460
Houston, TX 77002

Re: INGAA's Comments on the NAESB Gas-Electric Harmonization Forum Chairs' Strawman Recommendations

North American Energy Standards Board:

The Interstate Natural Gas Association of America ("INGAA") appreciates the opportunity to provide comments on the North American Energy Standards Board ("NAESB") Gas-Electric Harmonization Forum Chairs' Strawman Recommendations.¹

INGAA offers two comments that apply to multiple recommendations.

First, INGAA agrees with the suggestion of Forum participants that the Chairs revise the Strawman Recommendations to clarify whether certain recommendations apply to interstate natural pipelines, intrastate pipelines, or both. There are significant differences between the markets in which interstate natural gas pipelines operate and those in which intrastate pipelines operate; the markets respond to different dynamics, serve different customers, and operate under different regulatory regimes.² Multiple Recommendations describe changes to natural gas pipeline operations or markets, but the steps to implement those changes and the entity with the authority to take those steps will vary based on the kind of pipeline at issue. Forum participants will need clarity on the scope of these Recommendations to make informed voting decisions. INGAA suggests ways to add clarity below.

Second, INGAA suggests removing the Record Summaries that are unrelated to the recommendation being discussed. INGAA understands that Forum participants will vote only on the text of the Recommendations, but we remain concerned that Forum participants or future readers of the final Recommendations may use the extraneous Record Summaries to interpret the Recommendations. INGAA identifies problematic Record Summaries below and asks the Chairs to remove those summaries from any final Recommendations. If the Chairs wish to keep those Record Summaries, INGAA asks that the Chairs move those summaries to the "Additional Topic Areas Discussed" section.

INGAA also offers several comments on specific Recommendations herein. These comments do not indicate how INGAA ultimately will vote on the Recommendations; INGAA does not commit to supporting

¹ INGAA represents the majority of interstate natural gas transmission pipeline companies in the United States. Its 26 members operate approximately 200,000 miles of interstate natural gas pipelines, serving as an indispensable link between natural gas producers and consumers. INGAA advocates on behalf of its members before federal agencies and courts.

² See, e.g., Kinder Morgan, Response to Question 2.a.1 of the Survey Distributed on April 6, 2023.

a Recommendation if the Chairs accept INGAA's comments on the Recommendation. Rather, INGAA offers the comments to help all Forum participants and any future readers achieve a common understanding of what each recommendation entails.

Sincerely,

/s/ Christopher Smith

Christopher Smith

Regulatory Counsel

Interstate Natural Gas Association of America³

³ INGAA submits this response on behalf of the interstate natural gas companies that comprise its membership. Although some of those companies also operate intrastate natural gas pipelines, INGAA does not represent the interests of intrastate pipelines and takes no position on the recommendations applicable only to intrastate pipelines.

Recommendation 1

In a manner similar to the Federal Energy Regulatory Commission (“FERC”) Notice of Proposed Rulemaking (“NOPR”) concerning the Coordination of the Scheduling Processes of Interstate Natural Gas Pipelines and Public Utilities issued on March 20, 2014 (Docket No. RM14-2-000), the FERC should direct the natural gas and electric industries to revise the business practice standards developed by NAESB related to the timely reporting by interstate natural gas pipelines of informational website posting data, such as operationally available capacity and total scheduled quantity, to make the data and any changes available, and communicate the data and any changes, as soon as possible to Bulk Electric System operators. FERC need not direct revisions to the scope of interstate pipelines’ reporting obligations but rather should focus on the timing of the reports.

INGAA Comments

Based on discussion during the Forum’s June 29 meeting, INGAA understands that this Recommendation seeks to speed the integration of information reported by interstate natural gas pipeline into NGinsight or similar tools. Readers could misinterpret the Recommendation to suggest revisions to *what* interstate pipelines must report, not just *when* pipelines must report. The extensive and unrelated discussion of “actual gas flows” in the Record Summary increases this risk. INGAA asks that the Chairs clarify the Recommendation seeks revisions only to the timing of interstate natural gas pipelines’ reporting obligations. INGAA further asks that the Chairs remove discussion of “actual gas flows” from the Record Summary associated with this Recommendation.

DOE’s demonstration of the NGinsight tool and the Record Summary establishes that interstate natural gas pipelines already post substantial information regarding operationally available capacity and scheduled quantity and that it is possible to aggregate this information in a single portal. The discussion during the Forum’s June 29 meeting indicated the potential benefits and limitations of aggregating existing public data but did not justify the imposition of additional reporting requirements. Nothing in the record does.

Some Forum participants suggested that pipelines must report actual gas flows. INGAA’s prior responses rebutted this suggestion; in short, pipelines (and ultimately their shippers) would incur exorbitant costs to make the changes necessary to report actual gas flows, but the data would not enable grid operators or end users to determine whether and how much gas is available. No one can justify those costs to achieve little-to-no benefit. INGAA suggests that the Chairs remove the discussion of “actual gas flow” from the Record Summary associated with Recommendation 1. If the Chairs decide to keep the discussion (or move it to “Additional Topic Areas Discussed”), INGAA asks that the Chairs supplement the Record Summary with a discussion of the costs of reporting the actual gas flow, not just the limited benefits.⁴

Recommendation 2

Argonne National Laboratory, with the direction and support of a governmental agency, such as the Department of Energy, should work with the natural gas pipelines and Bulk Electric System operators to fully develop and expand upon the NGinsight tool to provide improved situational awareness and communication between the gas pipeline system and the Bulk Electric System operators and to make it broadly accessible and useable to market participants.

Argonne National Laboratory should limit access to NGinsight to relevant government agencies, Bulk Electric System operators, and natural gas pipelines.

INGAA Comments

INGAA appreciates Argonne National Laboratory’s significant work in developing the NGinsight tool but shares the security concerns raised by several Forum participants on June 29. NGinsight aggregates publicly available data, but facilitating access to that data and showing the effects of outages on specific

⁴ See INGAA, Response to Questions 5, 6 of the Survey Distributed on March 15, 2023.

pipelines will increase the risk that bad actors use the data to plan attacks. Recent experience with electric infrastructure illustrates the risk.⁵ To alleviate this risk, INGAA recommends that Argonne limit access to the NGinsight tool to relevant government agencies, Bulk Electric System operators, and natural gas pipelines. If the Chairs have concerns with pipelines' access to the full NGinsight tool, Argonne could limit pipelines' access to only their own data. Pipelines need this level of access at a minimum to "audit" NGinsight and to make sure that the tool accurately captures the pipeline's information.

INGAA asks that the Chairs remove the "Record Summary – Potential Creation of a Voluntary Natural Gas Coordinator" and "Record Summary – Critical Notices and Operational Flow Orders" sections or, in the alternative, move those sections to "Additional Topic Areas Discussed." These sections do not relate to whether Argonne should continue working with relevant stakeholders to develop the NGinsight tool. If the Chairs decide to keep "Record Summary – Critical Notices and Operational Flow Orders," INGAA suggests that the Chairs supplement the section with a discussion of R21006 so readers understand that NAESB already has examined many of the issues raised in this Record Summary.

Recommendation 4

In a manner similar to the FERC NOPR concerning the Coordination of the Scheduling Processes of Interstate Natural Gas Pipelines and Public Utilities issued on March 20, 2014 (Docket No. RM14-2-000), the FERC should direct the natural gas and electric industries to revise the business practice standards developed by NAESB to improve the efficiency and transparency of the processes to report, transact, and facilitate capacity release.

Recommendation 5

The FERC should consider policy modifications necessary to better facilitate advanced agreements between end users and providers of natural gas supply and delivery capacity similar to those adopted as part of FERC Order No. 712 to support the use of asset management agreements.

INGAA Comments

The Record Summaries associated with Recommendations 4 and 5 both discuss FERC Docket RM22-17. INGAA suggests deleting this discussion; it is a separate, ongoing proceeding with its own record that specifically addresses how pipelines might offer capacity. There is no need to insert the Forum into that ongoing proceeding.

Recommendation 6

State public utility commissions and applicable state authorities in states with competitive energy markets should engage with producers, marketers and intrastate pipelines to ensure that ~~such parties' operations~~~~the natural gas markets~~ are fully functioning on a 24/7 basis in preparation for and during events in which demand is expected to rise sharply for both electricity and natural gas, including weekends and holidays. Per current FERC regulations, interstate pipelines schedule and operate on a 24/7 basis to support the wholesale natural gas market. In instances where state authorities lack enabling authority to take such actions, the FERC should ~~consider whether it has authority to~~ adopt regulations ~~in this space to achieve identical outcomes.~~

INGAA Comments

Recommendation 6 and the record before the Forum establish that interstate natural gas pipelines are "fully functioning on a 24/7 basis." The Chairs therefore should revise the Recommendation to suggest that state

⁵ See, e.g., Jacob Knutson, *Attacks on power grid raise alarm among top officials*, Axios (Mar. 8, 2023), <https://tinyurl.com/3ta5b63k> ("Rural substations can be more vulnerable to attack due to the lack of potential witnesses in the area and foliage limiting security camera views. Many substation locations are also provided publicly by the U.S. Energy Information Administration."); see also Chuck Brooks, *3 Alarming Threats to the U.S. Energy Grid-Cyber, Physical, and Existential Events*, Forbes (Feb. 15, 2023), <https://tinyurl.com/yxtz6pw7>; Catherine Morehouse, *Physical attacks on power grid surge to new peak*, Politico (Dec. 26, 2022), <https://tinyurl.com/bd hazbw8>.

authorities engage with producers, marketers, and intrastate pipelines—not interstate pipelines—regarding preparation for periods of high demand.

Although the Recommendation suggests exploration of changes to operations of producers, marketers, and intrastate pipelines, the Record Summary contains extensive discussion of potential changes to interstate natural gas pipelines' operations. Specifically, the Record Summary discusses the consideration of additional intraday nominating cycles, the modification or elimination of the “no bump” policy, and the time between nomination and gas flow on interstate natural gas pipelines. This discussion is unrelated to Recommendation 6. INGAA asks that the Chairs remove this irrelevant discussion or, in the alternative, move the discussion to “Additional Topic Areas Discussed.”

Based on the discussion during the Forum, INGAA understands that the Chairs intend to adopt the above changes to the final sentence of Recommendation 6, which Kinder Morgan initially suggested. INGAA supports this change because the acknowledgement of the jurisdictional limits on FERC's authority will clarify the scope of the Recommendation and lead to more informed voting on the Recommendation.

Recommendation 12

Applicable state authorities should consider legislation or regulations that can be enacted or other actions that can be enacted or other actions that can be taken to create a secondary market for unutilized intrastate natural gas pipeline capacity or support bilateral agreements between end users. In instances where state authorities lack enabling authority to take such actions, the FERC consider whether it has authority to ~~should~~ adopt regulations in this space to achieve identical outcomes.

Recommendation 13: Applicable state authorities should consider establishing informational posting requirements for intrastate natural gas pipelines to enhance transparency for intrastate natural gas market participants regarding operational capacity data, similar to the reporting and posting requirements mandated by the FERC for interstate natural gas pipelines as part of 18 CFR §284.13. In instances where state authorities lack enabling authority to take such actions, the FERC should consider whether it has authority to ~~adopt~~ regulations in this space to achieve identical outcomes.

Recommendation 14

Applicable state authorities should consider the development of weatherization guidelines appropriate for their region to support the protection and continued operation of well-heads and intrastate processing and gathering system facilities during extreme weather events, and require transparency concerning weatherization efforts of jurisdictional entities.

INGAA Comments

Based on the discussion during the Forum, INGAA understands that the Chairs intended Recommendations 12 and 14 to apply to intrastate facilities. INGAA suggests a change to clarify the applicability of Recommendations 12 and 14.

Based on the discussion during the Forum, INGAA understands that the Chairs intend to adopt the above changes to the final sentence of Recommendations 12 and 13, which Kinder Morgan initially suggested. INGAA supports these changes because the acknowledgement of the jurisdictional limits on FERC's authority will clarify the scope of the Recommendations and lead to more informed voting on the Recommendations.

Recommendation 15

The U.S. Department of Energy or FERC should conduct, fund, and/or direct efforts to develop a comprehensive study that evaluates, by region, whether there is adequate natural gas infrastructure in place to support new gas usage patterns affected by flexible gas generation resource requirements as the latter resources are increasingly called upon for more frequent and/or steeper ramping to balance the increased use of variable energy resources. This study should be conducted in conjunction with an industry advisory group made up of diverse interests to ensure there is broad support that the study results are credible and

unbiased. Currently, there are no comprehensive regional assessments that examine whether regions have sufficient natural gas infrastructure to support new usage patterns of gas generators, yet this information is essential for policymakers to have so that they can make informed policy decisions and take steps to avoid any potential reliability and resilience risks that accompany the transition to a lower emissions energy future.

Recommendation 16

FERC and NARUC should collaborate to conduct, fund, and/or direct efforts to conduct a comprehensive study to determine whether market-incentivized investments in strategic natural gas storage facilities, are sufficient to address natural gas supply shortfalls during extreme cold weather events, and if the level of investment is sufficient to preserve such facilities for use during extreme cold weather events. The study should also explore whether public sources of funding are needed to secure sufficient storage.

Recommendation 17

FERC and NARUC should collaborate to conduct, fund, and/or direct efforts to conduct a comprehensive study to determine whether additional financial incentives for the natural gas infrastructure system, including infrastructure to provide additional firm transportation capacity, is necessary to support the Bulk Electric System to winterize or otherwise prepare to perform during extreme cold weather events would help to address natural gas supply shortfalls during such events.

INGAA Comments

The Record Summary for Recommendations 15-17 discusses a technical conference regarding coordination and oversight of pipeline capacity. Because this discussion does not relate to the recommended studies, INGAA suggests deleting the discussion.

**COMMENTS ON THE
GAS ELECTRIC HARMONIZATION FORUM CHAIRS' STRAWMAN RECOMMENDATIONS
DUE JULY 10, 2023**

Submitter Information

1. Please provide your contact information:

Company/Organization: Interstate Natural Gas Association of America
Representative: Christopher Smith
Email Address: csmith@ingaa.org
Phone Number: 202-216-5933

2. For the purposes of participating in the Gas Electric Forum, are you responding as (*please check one box only*):

- Wholesale Gas Market – Producer
- Wholesale Gas Market -- Pipeline
- Wholesale Gas Market -- Distributor
- Wholesale Gas Market – Services or Technology Company
- Wholesale Gas Market – End User
- Wholesale Electric Market – Transmission Company
- Wholesale Electric Market – Generator
- Wholesale Electric Market – Distributor/Load Serving Entity
- Wholesale Electric Market – End User
- Wholesale Electric Market – Independent Grid Operator & Planner
- Wholesale Electric Market – Marketer/Broker
- Wholesale Electric Market – Technology or Service Company
- Retail Energy Market – Retail Electric Service Provider/Supplier
- Retail Energy Market – End User/Public Agency
- Retail Energy Market – Retail Gas Market Company
- Retail Energy Market – Retail Electric Utility
- Other Market Participant / Observer