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August 16, 2021

**TO:** NAESB Board Gas Electric Harmonization Committee

**FROM:** Rae McQuade, NAESB President & Jonathan Booe, Executive Vice President & CAO

**RE:** Identified Considerations & Proposals Included in Comments Submitted to GEH

| **Identified Considerations & Proposals Included in Comments** |
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| **Commenter** | **Consideration or Proposal** | **Possible Action by NAESB** |
| Skipping Stone | 1. Consider establishing and pricing “fast start service” for pipelines that deliver quick-response, non-ratable delivery service to electric generators
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|  | 1. Consider providing volumetrically priced services for non-ratable deliveries to electric generators under firm transportation contracts with pipelines, including when scheduled gas is not “taken”
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|  | 1. Consider updating Operational Balancing Agreements to compensate pipelines for uncompensated services
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|  | 1. Consider a “firm fuel first” paradigm by creating a new clearing and scheduling process for RTOs, ISOs and BAs requiring the establishment of a clearing price for all “firm fuel” generation before other available generation
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| American Electric Power | 1. Consider mandatory security standards for the natural gas industry that support Pipeline and Hazardous Materials Safety Administration and the Department of Homeland Security’s Transportation Security Administration
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|  | 1. Consider coordination improvements that support the identification of critical gas infrastructure in recognition of the electric industry’s role as the gas industry’s largest customer
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|  | 1. Consider establishing standards to support hourly nomination cycles
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|  | 1. Consider the benefits of expanding the North American Electric Reliability Corporation’s jurisdiction to encompass both the electric and gas industries
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| American Public Gas Association  | 1. Consider proposing to Electric Reliability Council of Texas and/or the Public Utility Commission of Texas that natural gas production facilities be prioritized during emergency situations
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| ISO/RTO Council | 1. Consider establishing standards that enhance the flexibility of scheduling/procuring gas on weekends and holidays
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|  | 1. Consider establishing standards that support hourly nomination cycles to better align with actual gas delivery
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|  | 1. Consider the development of non-traditional gas market products that better support the increased need for fast start and quick ramping capability of generators
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|  | 1. Consider establishing standards to improve the communication and clarity of restriction notifications, including uniformity among the various pipeline notices
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|  | 1. Consider establishing standards that define Operational Flow Order impact gradients.
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|  | 1. Consider establishing information requirement and data standards to support a secondary market clearing house for the resale of unused capacity
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|  | 1. Consider actions that can be taken to better prepare for extreme events, such as gas “storage” by pipelines
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|  | 1. Consider establishing flexible terms for firm service to generators
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|  | 1. Consider mitigation of common mode failures
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|  | 1. Consider the weatherization of natural-gas fired generators to meet a clear and measurable benefit
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|  | 1. Consider the prioritization of critical infrastructure facilities to support reliable pipeline operations
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|  | 1. Consider establishing reliability/resiliency information sharing requirements on a real-time basis to support contingency modeling
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| Cheniere Energy, Inc. | 1. Consider reviewing the existing NAESB standards and the [NAESB Gas-Electric Harmonization Committee Report](https://www.naesb.org/pdf4/bd092012a1.pdf) adopted in September 2012 in light of new market coordination dynamics since adoption
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|  | 1. Reconsider the nomination, scheduling and allocation business process enhancements proposed in [Request R19014](https://www.naesb.org/pdf4/r19014.doc)
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|  | 1. Consider a review of the pipeline information that is available to electric market operators in advance of emergency situations.
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