

GS-2 Resolution on NAESB Gas-Electric Harmonization Committee Report

WHEREAS, The North American Energy Standards Board (NAESB), composed of more than three hundred corporate members in the energy industry and many more non-member volunteers, who contribute to the drafting and adopting of NAESB standards, serves as an industry forum for the development and promotion of standards that will lead to a seamless marketplace for wholesale and retail natural gas and electricity; *and*

WHEREAS, In response to the natural gas-electric market harmonization challenges identified in the National Petroleum Council ("NPC") comprehensive study *Prudent Development: Realizing the Potential of North America's Abundant Natural Gas and Oil Resources*, recommended actions that should be taken by North American Electric Reliability Corporation (NERC), NAESB, Federal Energy Regulatory Commission (FERC), National Association of Regulatory Utility Commissioners (NARUC) and Independent System Operators to continue efforts to harmonize the interaction between the natural gas and electric markets. NAESB established a Gas-Electric Harmonization Committee ("committee") to review issues identified in the NPC study specific to natural gas-electric market harmonization; *and*

WHEREAS, The members of the committee were comprised of a broad cross section of natural gas and electric market stakeholders, including State and federal regulators. Additional stakeholders included but were not limited to pipeline operators, generation operators, energy producers, electricity distributors, marketing experts, gas and electric transmission operators, end users, independent system operators and technology experts; *and*

WHEREAS, NARUC in conjunction with FERC has conducted two successful panels on Gas-Electric Interdependency and Harmonization in its Winter February 2012 and Summer July 2012 meetings, addressing the market challenges and opportunities of increased gas/electric interdependencies; *and*

WHEREAS, NARUC members participated in a series of FERC regional workshops across the United States; *and*

WHEREAS, NARUC members may continue to participate in the FERC proceeding docket number AD12-12-000 *Coordination between Natural Gas and Electricity Markets* ("FERC proceeding") to foster greater awareness and cooperative efforts between State and federal regulators on the regional market issues surrounding gas electricity harmonization; *and*

WHEREAS, On September 20, 2012, the NAESB Board of Directors met in Houston, Texas and unanimously approved the *Gas-Electric Harmonization Committee Report* and agreed to adopt the report's three recommendations for standards development as provisional items in NAESB's wholesale gas and wholesale electric annual plans: (1) market timelines and coordination of scheduling, (2) flexibility in scheduling, and (3) provision of information, *now therefore be it*

RESOLVED, That the National Association of Regulatory Utility Commissioners, convened at its Annual Meetings in Baltimore, Maryland, and commends NAESB for its consensus approach

in unanimously approving the NAESB Gas-Electricity Harmonization Committee's Final Report; *and be it further*

RESOLVED, That NARUC members are encouraged to participate and work with FERC in its FERC proceeding *Coordination Between Natural Gas and Electricity Markets*; *and be it further*

RESOLVED, That NARUC members will utilize the final report *Gas Electric Harmonization Committee Report* (<http://www.naesb.org/pdf4/bd092012a1.pdf>) to advance its Gas-Electricity Harmonization efforts for its member States and to participate and comment if desired on any ongoing standards process at NAESB and other forums to advance gas electricity harmonization.

Sponsored by the Committee on Gas

Adopted by the NARUC Board of Directors, November 13, 2012

Adopted by the NARUC Committee of the Whole, November 14, 2012