



Federal Energy Regulatory Commission

November 15, 2012

Open Commission Meeting

Staff Presentation

Item M-1

"Good morning. Item M-1 is a draft Order on coordination between the natural gas and electric power industries. This proposed action is in response to information gathered at five regional conferences held in August of this year, which focused upon each region's perspective on gas-electric coordination and interdependency. In brief, the draft Order directs staff to convene two technical conferences, directs RTOs and ISOs to report progress to the Commission, and directs staff to report progress on regional efforts.

"The two technical conferences directed in the draft Order will further explore two issues that were discussed in all of the regions. The first technical conference will focus on barriers to effective communications between the natural gas and electric power industries. To provide guidance in advance of the conference, as the industries enter the winter heating season, the draft Order briefly discusses the applicability of the Standards of Conduct regulations to communications between natural gas pipelines and electric transmission operators. The draft Order also notes the methods available to seek guidance from the Commission on permissible communications. The purpose of the technical conference will be to gather additional information regarding the specific communications issues of concern to industry, and to identify areas where additional policy guidance may be appropriate.

"The second technical conference will address concerns with natural gas and electric power scheduling. Concerns regarding scheduling, the harmonization of the gas and electric days, pipeline capacity release, efficient utilization of existing pipeline capacity and other matters were brought up in almost every region during the August conferences. The draft Order concludes that a separate technical conference is warranted to focus on these matters.

"In addition to directing staff to convene two technical conferences, the draft Order also directs each RTO and ISO to appear before the Commission on May 16, 2013, to report on its experiences during the 2013 winter and early spring seasons, and again on October 17, 2013, to report on the 2013 summer and early fall seasons. The draft Order also directs staff to report to the Commission on the natural gas and electric industries' coordination activities at least once each quarter for 2013 and 2014.

"Concurrently with the draft Order, the Commission today is releasing to the public the Staff Report on Gas-Electric Technical Conferences. In it, each of the five regional technical conferences held during the month of August is summarized and ongoing regional efforts on gas-electric coordination are highlighted. The Staff Report will be posted on the Commission's website.

"This concludes my presentation."