Generation Viewpoint

Coordination between Natural Gas and Electricity Markets

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EquiPower Resources Corp.: 

- Subsidiary of Energy Capital Partners, a private equity fund specializing in energy infrastructure with $7 billion under management
- Based in Hartford, CT since May 2010
- Owns/manages 5,716 MWs of natural gas fired generation

- Lake Road, Killingly, CT 844 MWs
- Milford Power, Milford CT 570 MWs
- MASSPOWER, Springfield MA 240 MWs
- Dighton Power, Dighton, MA 170 MWs
- Empire Generating Co, Rensselaer, NY 635 MWs
- Red Oak Power, Sayerville, NJ 832 MWs
- Liberty Electric, Eddystone, PA 575 MWs
- Broad River, Gaffney, SC 850 MWs
- Odessa Ector Power, Odessa, TX 1,000 MWs
• We operate plants in seven states but the gas management challenges are most significant in New England, so my comments will focus on our operation there.
  • ISO-NE is responsible for reliability and administers the markets
  • Our four plants in New England:
    • Lake Road and Dighton Power on Algonquin
    • MASSPOWER on Tennessee
    • Milford Power on Iroquois

• FERC Order 698 Requires us to:
  • Provide the pipelines with our burn profile of our expected operations to meet our Day Ahead Market (DAM) generation schedule when we receive it at 4:00 P.M. We provide the expected burns for the next calendar day as well as our estimate of the balance of the gas day (through 10 AM the following day).
  • Update the burn profile if we receive a supplementary generation schedule during ISO-NE’s Reserve Adequacy Assessment (RAA) process at 10:00 P.M. and throughout the day.
Description of the Scenario

• High electric winter load levels

• Trip of large generator at noon

• ISO asks on-line gas units to increase generation and requests gas units that are not running to come on-line.

• Interstate pipelines has an operational flow order (OFO) in effect limiting shipper’s flexibility to make intraday changes in hourly gas flows
Post contingency response of a New England gas generator

• Check to see if additional gas is available
  • EquiPower may be able to move gas from other units in its fleet
  • If it was a gas generator that tripped, gas may be available in New England
  • Gas maybe available from the East (e.g. Canaport LNG in New Brunswick, Canada)
  • With OFO in place it is very unlikely gas from the West could get through the constraints
  • It is been our experience that gas is virtually always available; EquiPower fulfills its commitments regardless of the price of gas

• Depending on gas availability and ability of the pipelines to accept a schedule change:
  • May be able to provide additional available generation, modify burn profile and send to pipelines.
    • May be able to increase generation on on-line unit by accelerating gas burn and supplement with additional gas during end of gas day.
  • May still be subject to differences in pipeline scheduling protocols
    • Algonquin can accommodate schedule change hourly
    • On other pipes may need to wait until 6:00 P.M. intraday nomination cycle for increased flow and additional generation starting at 10:00 P.M.

• If additional gas is not available or the pipelines cannot accept a schedule change:
  • Inform ISO-NE that we need to stay on DAM schedule and pre-contingency burn profile.
  • Inform ISO-NE that high generation limit must be reduced to DAM schedule since additional generation is not possible and reserves should not be counted on by our plants.