



## **Coordination Between Natural Gas and Electricity Markets**

**Docket No. AD12-12-000**

**Central Region- August 6, 2012, St. Louis, MO**

### **Agenda**

**9:00 - 9:15 Welcome and Opening Remarks**

**9:15 - 9:45 Regional Energy Infrastructure Presentation (FERC staff)**

**9:45 – 12:15 First Roundtable Discussion:  
Gas-Electric Scheduling and Market Structures/Rules**

Certain commenters in this proceeding expressed concern regarding the level of fuel certainty to support resource adequacy broadly, as well as the fuel certainty of products in organized wholesale electric markets administered by RTOs such as MISO and SPP. Several commenters favor viewing RTO/ISO and non-RTO/ISO markets differently. Others state that further harmonization of gas-electric scheduling times is needed. Just as it is difficult for a natural gas pipeline to justify and finance a pipeline expansion in the absence of long-term firm gas transportation purchase commitments, so too would it be difficult for a gas-fired merchant generator to commit to firm gas supply and transportation contracts in the absence of long-term electricity sales contracts or markets. Further, several commenters state that generators often face challenges in managing fuel procurement risks because the timing of natural gas purchase and delivery arrangements is not synchronized with the timeframe for bidding into wholesale electric markets. However, as many commenters point out, several pipelines and storage facilities in the Central region offer additional services that provide flexibility beyond traditional firm and interruptible transportation and storage services.

Roundtable participants are encouraged to be prepared to respond to the following:

1. Describe the market rules, policies or practices in wholesale electric and natural gas markets that you believe negatively or positively impact the procurement of gas transportation and storage capacity purchases by gas-fired generators. For the area defined as Central for purposes of this conference, are the rules in the organized markets aligned with state-level policies? Should the Commission approach the gas-electric

issues in the SPP and MISO energy markets differently than organized markets elsewhere with different retail structures? Are there market, regulatory, or other factors that disincent long-term bilateral supply contracts between electric load serving entities and merchant gas-fired generators, that might enable those generators to procure firmer fuel supplies whether through appropriate transportation or storage purchases? What are those factors, and how might we address the region specific options available?

2. What reforms, if any, need to be made to the organized electric markets' rules to provide for rate recovery for any necessary gas infrastructure expansion?<sup>1</sup>

3. How does a gas-fired generator balance real-time electric market dispatch and compensation with pipeline scheduling, dispatch and balancing requirements? Is there a need for modifications to either electric market or pipeline requirements in these areas?

4. Should natural gas and electric markets schedules be harmonized on a national level? Are more targeted or region specific solutions available? Recognizing that some pipelines offer additional nomination opportunities beyond the current standards, could regional solutions offer greater efficiency building upon the specific extra-flexible pipeline services available within a region?

5. To what extent do existing enhanced/tailored services of natural gas pipelines and storage providers accommodate the needs of power generators to access gas supplies in a timely manner? What is needed for gas pipelines and storage providers to provide such services?

### **12:15 – 1:00 Break**

### **1:00 – 2:45 Second Roundtable Discussion: Communications/Coordination/Information-Sharing**

Many commenters in this proceeding recommend that improving communications and coordination during weather, outage, or shortage events should be addressed in the near-term. Areas identified for better communication and coordination between the industries include communications protocols for emergency outages, coordinated maintenance outage scheduling and long-term planning. There is also industry concern regarding whether certain types of communications between pipelines, RTOs/ISOs, and generators were inconsistent with federal regulations, specifically the Standards of Conduct. According to the FERC Standards of Conduct, part 358 of the Commission's regulations (18 C.F.R. § 358) governs communications between natural gas and

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<sup>1</sup> A 2004 Report by the NERC Gas/Electricity Interdependency Task Force concluded, among other things, that pipeline tariffs for firm delivery service are not compatible with peaking generation economics in many electricity markets.

electricity transmission providers and their marketing affiliates. It does not govern communications *between* the two industries nor does it govern communications with RTOs/ISOs. Therefore, we do not believe the FERC Standards of Conduct would be considered a barrier to appropriate communications between gas and electric transmission providers, generators and RTOs/ISOs in most instances. However, communications between the gas and electric industries are governed more broadly by sections of the Federal Power Act<sup>2</sup> and the Natural Gas Act<sup>3</sup> that prohibit any undue preference or advantage to any person.

Roundtable participants are encouraged to be prepared to respond to the following:

1. What is the nature of information that is currently available and currently being shared between industries (e.g., outage and maintenance coordination; planning; emergency notifications)? What information that currently is not being shared, should be shared?
2. What kind of coordination would be necessary, and what kind of information would be shared and with whom, when constraints or supply or transportation disruptions on the gas system pose deliverability concerns for all gas customers during emergency situations?
3. What has been the impact of FERC Order No. 698,<sup>4</sup> and are the protocols established in 2007 still adequate in today's energy environment?

**2:45 - 3:00 Break**

**3:00 – 5:00 Third Roundtable Discussion:  
Reliability**

The bulk electric system is typically planned, as required by the mandatory reliability standards, to meet projected customer demands and system performance criteria, even under single element contingency conditions. Interstate natural gas pipelines are planned and expanded to meet firm gas delivery contracts between the pipelines and one or more shippers. Many commenters in this proceeding indicated they expect an increased reliance on natural gas generation in the coming years, due to

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<sup>2</sup> 16 U.S.C. 791 *et seq.*

<sup>3</sup> 15 U.S.C. 717 *et seq.*

<sup>4</sup> *Standards for Business Practices for Interstate Natural Gas Pipelines; Standards for Business Practices for Public Utilities*, Order No. 698, 72 *Fed. Reg.* 38757 (July 16, 2007) *FERC Stats. & Regs.* ¶ 31,251 (June 25, 2007).

economic and national policy factors. These commenters expressed concerns about the future reliability and interdependencies of the bulk electric system and the interstate natural gas pipeline system as the amount of natural-gas fired generation increases.

Roundtable participants are encouraged to be prepared to respond to the following:

1. Is there a need for a minimum level of dependability in the fuel supply for gas-fired generators? How would it be defined, who would define it, and what would be the mechanism for accomplishing this? Should this be addressed through RTO rules, NERC standards, or other mechanisms?
2. Are coordinated studies of the natural gas and electric systems needed to analyze forecasted resource mix and/or interdependency risks from curtailments or contingencies? Can this be addressed through existing transmission planning processes or is a different process needed?
3. A number of commenters in this proceeding referred to recent functional exercises that allowed participants from the natural gas and electric industries, as well as state regulators, to assess emergency response plans and provided a forum to discuss and implement improvements.<sup>5</sup> Were these exercises worthwhile? Are emergency response simulation exercises conducted in the Central region? Should all regions routinely conduct similar functional exercises?
4. Is there a need for greater coordination of operating procedures between the natural gas and electric industries? In particular, should maintenance outages or the response to forced outages be better coordinated? Are there legal, commercial, grid security, or technical impediments to doing so?
5. Is the timing needed to get gas infrastructure built an issue? If so, what actions would be needed, including possible policy changes or refinements of the Commission's certificate process, to facilitate expedited processing of gas infrastructure projects in regions facing immediate capacity constraints?

**5:00 – 5:30 Closing**

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<sup>5</sup> See, e.g., Texas Pipeline Association March 30, 2012 Comments, Docket No. AD12-12-000 at 2 (responding to Commissioner Moeller's February 3, 2012 Request for Comments).

**Anticipated Attendees  
Gas-Electric Coordination Conference  
August 6, 2012  
St. Louis, MO**

Mike Adams	Concentric
Thresa Allen	Iberdrola Renewables
Marcia Anderson	Attorney
Elie Atme	Spectra Energy
Michael Auger	U.S. Energy Services, Inc.
Charles Backstrom	Boardwalk Pipeline Partners
David Badura	MidAmerican Energy Company
Nancy Bagot	EPSA
Gregory Baker	United States Steel Corporation
Amanda Barbieri	Ameren Missouri
Michael Bardee	FERC, General Counsel
Melissa Bartos	Concentric Energy Advisors
Lee Baskin	Kinder Morgan Midstream Group
Elizabeth Beck	Vectren Corp.
Adam Bednarczyk	FERC, Office of Energy Market Regulation
Angie Beehler	Walmart
Jeff Bell	JPMorgan Chase Bank N.A.
Shawn Bennett	FERC, Comm. Norris' office
Robert Berntsen	MISO
Kurt Bilas	MISO
Aaron Black	Procter and Gamble
Kevin Blasé	Centerpoint Energy Services
Robert Bonner	ConocoPhillips
Commissioner Linda Breathitt	Kentucky Public Service Commission
Teresa Brown	Chevron Global Power
Lori Bruck	Tenaska Marketing Ventures
Dan Buckner	ACES Power Marketing
Carol Burchfield	CenterPoint Energy
Terence Burke	FERC, Comm. Moeller's Office
Angie Butcher	Michigan Public Service Commission
Thure Cannon*	Texas Pipeline Association
Trent Carlson	JPMorgan Ventures Energy Corp.
Jay Carriere	MidAmerican Energy Holdings Company
Mike Chambliss	Vectren Corporation
John Chickey	Laclede Energy Resources
Ron Christian*	Vectren Corporation
Larry Cox	City Utilities of Springfield, MO
Sue Cozat	JP Morgan
Susan Crenshaw	ONEOK Partners

Valerie Crockett	NAESB
Greg Crow	Burns & McDonnell Engineering Co. Inc.
Deonne Cunningham	Iberdrola Energy Holdings, LLC/Enstor
Tom Curry	MJB&E
Curtis Dallinger*	Xcel Energy
Mark Darrell	The Laclede Group
Joyce Davidson	FERC, Office of External Affairs
Dale Davis	Williams Gas Pipeline
Omar Davis	Schweitzer Engineering Laboratories
George Dawe	Duke Energy
Gerardo de la Pena	Ecology & Environment
Bob Derickson	Ameren Missouri
Kenneth Detmer	Public Service Commission of Wisconsin
Janice Devers	Spectra Energy
David Devine	Kinder Morgan Inc.
Jay Dibble	Calpine
Mike Dionisio	Devon Energy Corporation
Chris Ditzel	CenterPoint Energy
Richard Dobson	Integrays Energy Group
H.B. (Trip) Doggett*	ERCOT
Brenda Donovan	Northern Indiana Public Service Company
Joan Dreskin	INGAA
Claudia Earls	NiSource Corporate Services
Christopher Ellsworth	FERC, Office of Enforcement
Mason Emmett	FERC, Office of Policy and Innovation
Nick Ericson	CF Industries, Inc.
Tamara Evey	Ameren
Anna Fernandez	FERC, Office of the General Counsel
Denise Fetsch	CenterPoint Energy
Scott Feuerborn	Burns & McDonnell
Janis Fischer	Missouri Public Service Commission
Graham Fisher	ConocoPhillips Company
Lynne Flowers	Flowers Energy Consulting, LLC
Kevin Flynn	ISO New England Inc.
Clifford Franklin	Westar Energy. Inc.
Arlyn Frederick	American Transmission Company
Kevin Gaden	Illinois Municipal Electric Energy
Sergio Garcia	Proctor and Gamble
Joe Gardner	MISO
Edward Garvey	AESL Consulting
Rachael Gebhardt	Ameren Illinois
Michelle Gellner	CenterPoint Energy Services
Noumvi Ghomsi	Missouri Public Service Commission
Gary Gibson*	City Utilities of Springfield, MO
Susan Ginsberg	IPAA

Scott Glaeser*	Ameren
Amy Gold	Shell Energy North America
Bill Green*	Devon Energy Corporation
Mike Gregerson	Midwestern Governors Association
Virginia Gregg	Kentucky Public Service Commission
Kenneth Hale	City Utilities of Springfield, MO
Hwikwon Ham	Minnesota Dept. of Commerce
Charles Harder	CenterPoint Energy, Inc.
Jaime Haro	Ameren Missouri
C. Gregory Harper*	CenterPoint Energy, Inc.
Patricia Harrell	DC Energy
David Hathaway*	Wisconsin Public Service Corp.
Patrick Hayes	Ameren Energy Marketing
Robert Hayes*	Calpine Corporation
John Haynes	Boardwalk Pipeline Partners, LP
Glen Heard	Elster
Bambi Heckerman	Brown, Williams, Moorhead & Quinn, Inc.
Bob Heidorn	Vectren
Ronnie Hensley	Southern Star Central Gas Pipeline
Jeff Hicken*	Alliant Energy
Gary Hines	Southern Gas Association
Ross Hodges	Conoco Phillips
Norman Holmes	Kinder Morgan, Inc.
Skip Horvath*	Natural Gas Supply Association
Andy Hubbard	ExxonMobil
Jennifer Hubbs	Public Utilities Commission of Texas
Terry Huch*	CF Industries
Brian Jeffries	Wyoming Pipeline Authority
Dave Jewell	CenterPoint Energy
Deena Jordan	Energy Transfer Partners
Mike Joyce	CenterPoint Energy
Leslie Kalmbach	CenterPoint Energy
Robert Kenney*	Missouri Public Service Commission
Cynthia Kinsler	TN Attorney General
Kathy Kirk	Boardwalk Pipeline Partners, LP
Ronald Kitchens*	Texas Energy Reliability Council
Brad Kloeppe	Ameren
W. Bernard Kramer	DTE Energy
Venkat Krishnan	Iowa State University
Brett Kruse	Calpine Corp.
Richard Kruse	Spectra Energy
Steven Kulesia	Michigan Public Service Commission
Michael Langston	Energy Transfer
John Lawhorn	MISO
Tim Light	American Electric Power

David Linton	ITC Great Plains
M. Bryan Little	Consumers Energy Company
Cong Liu	Argonne National Laboratory
Jeffrey Loseon	City of Ottawa, KS
Jacob Lucas	FERC, Office of Electric Reliability
Lisa Luftig	FERC, Comm. LaFleur's office
Jamie Maddy	Chesapeake Energy
Kathleen Magruder	BP Energy Company
Kamaria Martin	FERC, Office of Enforcement
Jim Massman	Ameren Missouri
Steven Mathews	Laclede Gas Company
Matt McCoy	Southern Star
Chris McGeeney	AECI
Michael McGeHee	FERC, Office of Energy Projects
Kevin Mcilvoy	Entergy
Adam McKinnie	Missouri Public Service Commission
Michael McLaughlin	FERC, Office of Energy Market Regulation
Michael McMahan*	Boardwalk Pipeline Partners, LP
Mark Menis	Kinder Morgan
Andrew Meyer	Ameren Missouri
Thomas Mikucki	Kinder Morgan
Amy Jo Miller	Ameren
Kent Miller	Northern Natural Gas Company
Paul Miller	BP Energy Company
Ray Miller*	Kinder Morgan
Scott Miller	FERC, Office of Policy and Innovation
Clair Moeller*	MISO
Commissioner Philip Moeller	FERC
Jeff Moore	Ameren Missouri
Bob Morman	Montana-Dakota Utilities
Ronald Mosnik*	Integrays Energy Group, Inc.
John Moura*	NERC
Ron Mucci	ONEOK Partners
William (Ed) Murrell	FERC, Office of Energy Policy & Innovation
Greg Myers	Panhandle Energy
Grant Najera	ONEOK Partners
Chair Donna Nelson*	Texas PUC
Mary Nelson	Devon Energy Corporation
Daryl Newby	Kentucky Public Service Commission
Jack Nirenberg	Pace Global Energy Services, LLC
Liam Noailles*	Xcel Energy
Bob O'Connell	JP Morgan
Jeffrey Oleson	City of Ottawa, Kansas
Robert O'Neil	Miller, Balis & O'Neil, PC
Tara Ormond	Capital Power Corporation

Adina Owen	Boardwalk Pipeline Partners
Lopa Parikh	EEI
Dean Patry	Transcanada
Bob Pauley	EISPC
Stephen Pearson	Spiegel & McDiarmid LLP
James Pederson	FERC, Chief of Staff
Perry Pergola	Vectren
Leonard Phillips*	City Utilities of Springfield, MO
Adrian Pieniazek*	ERCOT
Joseph Pollard*	TransCanada
Robert Quinlivan	Ameren Missouri
Adam Randall	Tenaska Marketing Ventures
James Randall	ONEOK Partners
Poe Reed	CenterPoint Energy
Jennifer Reetz	Integrus
Bruce Rew*	Southwest Power Pool
Jennifer Rinker	Spectra Energy
Michael Robinson	MISO
Roy Rodriguez	Sequent Energy Management
John Rogness	Kentucky Public Service Commission
Richard Ross*	American Electric Power
Geraldo Ruiz de la Pena	Ecology & Environment, Inc.
Ron Ryckman	Customized Energy Solutions
Kent Saathoff	ERCOT
Donald Santa	INGAA
Oscar Santillana	FERC, Office of Energy Market Regulation
Dan Schoenecker	Midwest Reliability Organization
William SeDoris	Northern Indiana Public Service
Janet Sena	NERC
David Shaffer	Wright & Talisman, P.C.
Krit Shah	Ameren
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Jamie Simler	FERC, Office of Policy and Innovation
Lisa Simpkins	Exelon
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Bill Smith*	Organization of MISO States
Jameson Smith	MISO
Kerry Smith	CenterPoint Energy
Scott Smith	Merchant Energy Holdings
William Smith*	Organization of MISO States
Robert Snow	FERC, Office of Policy and Innovation
Andrew Soto*	American Gas Association
Scott Steiner	Lockheed Martin

Mike Stoll	CenterPoint Energy
Mark Stultz	BP Energy Company
Nick Tackett	FERC, Comm. Clark's office
Krista Tanner	Alliant Energy
Michelle Thiry	Entergy
Michael Thompson	Wright & Talisman, P.C.
Terry Thorn	North American Energy Standards Board
Allen Thresa	Bedroll Renewables
Keith Tiggelaar	WBI Energy Transmission Inc.
Ronald Tomlinson	Dominion Transmission Inc.
Jim Tramuto	Southwestern Energy Company
Peter Trombley	Copano Energy, L.L.C.
Bob Trost	CenterPoint Energy
Jerry Ulrey	Vectren
Randall Van Aartsen*	We Energies
Vincent Vandaveer	City Utilities of Springfield, MO
DeAnn Walker	CenterPoint Energy Houston Electric
Wes Walker	Dominion
Jodi Walters	NIPSCO
Hamish Weng	Wisconsin Public Service Commission
Janet Wheeler	Missouri Public Service Commission
Austin Whitman	MJB&A
Daniel Wingbermuehle	Ameren Missouri
Michael Wise	Golden Spread Electric Cooperative
Bill Wolf	CenterPoint Energy, Inc.
Hamish Wong	Wisconsin Public Service Corp.
Charles Yarborough	Atmos Pipeline – Texas
Erika Young	Spectra Energy
Mary-James (Jami) Young	Vectren Corp.

\* Roundtable Participants

