



Coordination Between Natural Gas and Electricity Markets

Docket No. AD12-12-000

Southeast Region- August 23, 2012

FERC Headquarters, Washington, DC

Agenda

- 9:00 – 9:15** **Welcome and Opening Remarks**
- 9:15 - 9:45** **Regional Energy Infrastructure Presentation (FERC staff)**
- 9:45 – 11:45** **First Roundtable Discussion:
Gas-Electric Coordination in the Southeast**

There has been significant growth in the Southeast region's use of gas as fuel for electricity generation. By some accounts, the Southeast now leads the country both in the total volume of electric generation gas demand, and as a percentage of total US gas burn.¹ Given this rapid increase in gas demand for electricity generation, the region's electric and gas entities may face future operational challenges involving coincident peaks, the flexibility of pipeline services, and infrastructure adequacy.

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

1. How do Southeastern electric utilities' scheduling and commitment practices align with the NAESB standard natural gas pipeline business practices? How do the region's utilities and generators manage the risks associated with differences in the daily practices from one industry to the next?
2. Given the significant percentage of gas demand for industrial use in this region, as well as the growth in electric generation gas demand, how is the adequacy of gas infrastructure evaluated? Are there ways the region can better deploy existing capacity to

¹ See, e.g., Energy Information Administration, Electricity Monthly Update, July 26, 2012, http://www.eia.gov/electricity/monthly/update/resource_use.cfm.

meet demand growth?

3. What types of services offered by natural gas pipelines and storage providers in the Southeast best meet the needs of gas-fired generators in the region? Would generators in the region like to see additional flexibility in pipeline services, and if so, what kind? Do other pipeline shippers need additional flexibility in pipeline services, and if so, what kind? What would gas pipelines and storage providers need to be able to provide such additional flexibility?
4. How are pipelines managing the growth in electric generation demand from an operational standpoint? Is there a need for different pipeline operational management tools, such as a different imbalance management mechanism or penalty structure, for gas-fired generation as opposed to other pipeline shippers?
5. Do pipelines in this region offer additional nomination opportunities beyond the four NAESB nomination cycles? If so, are such offerings available to both firm and interruptible shippers? What are the costs of providing additional nomination opportunities? Are there impacts to natural gas end users?

11:45 – 1:15 Break

1:15 – 2:30 Second Roundtable Discussion: Communications/Coordination/Information-Sharing

Several commenters suggest that communication and coordination issues may differ between the regions, and therefore are more appropriately addressed on a regional basis. Given the region's risk for severe weather, the increase in the use of gas to fuel electric generation in the Southeast, and the proximity of natural gas supplies, gas and electric entities in the Southeast may need to address communication and coordination issues that affect both real time and near-real time operations and outage planning for both gas and electric systems, as well as long term gas and electric planning and coordination.

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

1. How is coordination and information-sharing regarding both emergency and planned outages handled by affected gas and electric entities? Are improvements needed? Please describe what kind of coordination and information is shared and with whom in preparation for extreme events that simultaneously and significantly affect both the gas and electric sectors. Are there any limitations on communication that seem unnecessarily restrictive? Should entities coordinate weather forecasts?
2. What is the impact of electric system outages upon the gas system, and vice versa? Will the Pipeline Safety, Regulatory Certainty and Job Creation Act of 2011 impose new requirements upon inter-industry communication and coordination? If so, how are the

industries planning for those new requirements?

3. Are there particular communication and coordination challenges associated with managing the expected increase in use of natural gas for electric generation? If so, are improvements needed and who should be responsible for implementing improvements?

4. Given the extent to which gas-fired generation dominates the Florida generation portfolio, and also considering the high utilization factors of pipelines such as Florida Gas Transmission and Gulfstream especially during the summer months, how do the utilities in Florida manage communications and coordination, both day-to-day and during extreme events?

2:30 - 2:45 Break

**2:45 – 4:15 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. As noted, the Southeast will be experiencing a significantly increased reliance on natural gas generation in the coming years. This may serve to highlight 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. Has any entity in the Southeast region performed any kind of assessment regarding the region's natural gas pipeline capacity, taking into account present and future electric generation needs? If not, is such a study needed? If so, who would undertake it? Are additional, 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 issue be addressed through existing transmission planning processes? If not, is a different process needed?

2. A number of commenters in other regions 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.² Given its experience with hurricanes and other extreme

² See, e.g., Texas Pipeline Association March 30, 2012 Comments at 2 (responding to Commissioner Moeller's February 3, 2012 Request for Comments).

weather events, are sufficient emergency coordination procedures in place in the Southeast? Does the growth in the use of gas for electric generation mean that more coordination or other advance preparations are needed, especially for extreme weather events?

3. To what extent do pipelines in the Southeast region rely upon electric compression? Is this reliance likely to change in the future, and if so, how? What would be the impact, if any, of an electricity outage upon the pipeline's deliverability? Do pipelines study risk of loss of electricity? If so, how do the results of such study affect operational planning?

4:15 – 4:45 Closing

Roundtable Participants:

- Jeff Burleson, Vice President of System Planning, Southern Company
Carl Haga, Gas Services Director, Southern Company
- Melissa Casey, Director of Transportation Services/1Line, Williams Gas Pipeline - East
- Dave Ciarlone, Manager, Global Energy Services, Alcoa (on behalf of Process Gas Consumers)
- Valerie Crockett, Senior Program Manager, Regulatory & Policy, TVA
- Michael DeBock, Senior Director, FPL Gas Infrastructure, Florida Power & Light Company
- Mark Evans, Vice President, North American Gas & Power, BG Group
- Michael Frey, Vice President, Gas Supply & Operations, Municipal Gas Authority of George (on behalf of APGA)
- Paul Greenwood, Manager for Americas Gas Marketing, ExxonMobil Gas & Power Marketing (on behalf of Natural Gas Supply Association)
- Carl Haga, Director of Gas Services, Southern Company
- Laura Heckman, Director, Business Development, Kinder Morgan
- Greg Henderson, President & CEO, Southeast Alabama Gas District
- David Jewell, Senior Vice President, Gas Systems & Capacity Planning, CenterPoint Energy
- Keith Maust, Manager Director-Gas Supply and Scheduling, Piedmont Natural Gas Company, Inc.
- Michael McMahon, Senior Vice President and General Counsel, Boardwalk Pipeline Partners, LP
- John Moura, Associate Director, Reliability Assessment, NERC
- Eric Senkowicz, Director of Operations, Florida Reliability Coordinating Council
- Donald Sipe, Esq. PretiFlaherty (on behalf of American Forest and Paper Association)
- Richard Smead, Director, Navigant Consulting, Inc. (on behalf of America's Natural Gas Alliance)
- Gerry Yupp, Senior Director, Wholesale Operations, Florida Power & Light Company

Anticipated Attendees
Gas-Electric Coordination Conference
August 23, 2012
Washington, DC

Michael Alexander	Duke Energy
David Andrejcek	Office of Electric Reliability, FERC
Vicky Bailey	Anderson Stratton International, LLC
Jon Baileys	ACEA Power Marketing
Ken Ballard	Devon Energy Corporation
John Ballentine	Wood Group Power Plant
Melissa Bartos	Concentric Energy Advisors
Adam Bednarczyk	Office of Energy Market Regulation, FERC
Daniel Belin	Ecology & Environment
Nathan Bellville	SMEPA
William Bennett	FERC, Office of Administrative law
Jeffrey Bittel	BWP Pipelines
Michelle Bloodworth	Americas Natural Gas Alliance
Michael Brown	Sequent Energy Management
Dan Buckner	ACES Power Marketing
Carol Burchfield	CenterPoint Energy
Jeff Burleson*	Southern Company
Ian Butterfield	The Livingston Group
Trent Carlson	JP Morgan Ventures Energy Corp
Georgia Carter	NiSource Gas Transmission & Storage
Melissa Casey*	Williams Gas Pipeline - East
Jack Cashin	Electric Power Supply Association
Stan Chapman	NiSource Gas Transmission & Storage
Dave Ciarlone*	Alcoa
Paul Cicio	Industrial Energy Consumers of America
Adrienne Clair	Stinson Morrison Hecker
Comm. Tony Clark	FERC
Anna Cochrane	Office of Energy Market Regulation, FERC
Sherri Collins	TVA
Nicholas Colombo	Stateside Associates
Mike Coop	ThinkSmartGrid
David Crabtree	Tampa Electric Company
Valerie Crockett*	TVA
Chloe Cromarty	JP Morgan Ventures Energy Corp.
Lorraine Cross	Cross & Company
Les Culpepper	Southeast Alabama Gas District
Tom Curry	M.J. Bradley & Associates
Kathryn Daley	INGAA
Matt Davidson	Atmos Energy
George Dawe	Duke Energy

Monica DeAngelo	Naval Facilities Engineering
Michael DeBock*	Florida Power & Light
Alex DeBoissiere	UIL Holdings
Thomas Dender	Tennessee Gas Pipeline
Janice Devers	Spectra Energy
Michael Diamond	Van Ness Feldman
Jay Dibble	Calpine
Mary Doyle	BG Group
Joan Dreskin	INGAA
Roy Ellis	Ernst & Young
Mason Emmett	Office of Energy Projects and Innovation, FERC
Mark Evans*	BG Group
Linda Evers	Stevens & Lee
Christine Farley	The Energy Authority
John Fernandes	FERC
Anna Fernandez	Office of the General Counsel, FERC
Doug Field	Southern Star Central
Terry Fitch	Williams
Patti Fitzpatrick	Spectra Energy
Kenneth Florizone	Potash Corp of Saskatchewan/(PGC)
Kevin Frank	Atmos Energy
Michael Frey*	Municipal Gas Authority of Georgia
Peter Frost	ConocoPhillips
Kristine Gagliardi	NiSource Gas Transmission & Storage
Sarah Gainer	Chesapeake Energy Corporation
Bob Gee	NAESB
Craig Glazer	PJM Interconnection, L.L.C.
Rich Glick	Iberdrola Renewables
Margaret Graham	Bruder, Gentile & Marcoux LLP
Frank Graves	The Brattle Group
Bill Green	Devon Energy Corporation
Paul Greenwood*	ExxonMobil Gas & Power Marketing
Bret Griffin	Municipal Electric Authority of Georgia
Wraye Grimard	Peoples Gas System
Carl Haga*	Southern Company
Eric Hatleberg	Alaska GPPO
Robert Hayes	Calpine Corporation
Laura Heckman*	Kinder Morgan
Gary Helm	PJM
Greg Henderson*	Southeast Alabama Gas District
Scott Henry	SERC Reliability Corp.
Ronnie Hensley	Southern Star
Robert Hershey	Robert L. Hershey, P.E.
Mark Hershfield	Office of External Affairs, FERC
Jeff Hightower	NCSU

Audrea Hill	Potash Corp of Saskatchewan/(PGC)
Carly Hill	Natural Gas Supply Association
Brad Holmes	Florida Gas Transmission
Greg Hopper	Black & Veatch
Steve Huhman	Morgan Stanley
Matt Jentzen	FERC
Dave Jewell*	CenterPoint Energy
Mark Johnson	TRC
Mike Joyce	CenterPoint Energy
Leslie Kalmbach	CenterPoint Energy
Mark Kalpin	WilmerHale
Natalie Karas	Duncan, Weinberg, Genzer & Pembroke, P.C.
Kevin Kelly	FERC, Office of Energy Policy & Innovation
Andrew Kennedy	Peoples Gas System
Kathy Kirk	Boardwalk Pipeline Partners, LP
Richard Kruse	Spectra Energy
Comm. Cheryl LaFleur	FERC
Michael Langston	Energy Transfer
William Lansinger	Sempra Energy
Mark Lauby	NERC
William Lavarco	NextEra Energy
John Lawhorn	MISO
Michael Leff	EIA
Alice Lippert	U.S. Department of Energy
Mark Lively	Utility Economic Engineers
Michelle Marcoux	Bruder, Gentile @ Marcoux LLP
Kamana Martin	FERC
Ralph Martinez	UTEP Cyber & Energy Security Center
Maureen Matsen	Office of Governor Robert F. McDonnell
Keith Maust*	Piedmont Natural Gas Company, Inc.
Joe McClelland	Office of Electric Reliability, FERC
Paul McCurley	NRECA
Karen Mcilvoy	Entergy
Sarah McKinley	Office of External Affairs, FERC
Michael McLaughlin	Office of Energy Market Regulation, FERC
Mike McMahan*	Boardwalk Pipeline Partners, LP
Lisa Medearis	FERC
James Merwald	Constellation
Curt Moffatt	Van Ness Feldman
Wayne Moore	Southern Company
John Moura*	NERC
Sylvia Munson	SunGard Energy
Ed Murrell	Office of Energy Projects and Innovation, FERC
Judy Neason	Williams
Colleen Newman	Office of the Governor of Puerto Rico

Jack Nirenberg	Pace Global Energy Services, LLC
Sarah Novosel	Calpine Corporation
Linn Oelker	LG&E and KU Services
Lopa Parikh	EEI
Janice Parker	Southern Natural Gas Co.
Delia Patterson	American Public Power Association
Stephen Pearson	Spiegel & McDiarmid LLP
Ekaterina Pivovarova	Foster Natural Gas/Oil Report
Rick Porter	Black & Veatch
Lee Ragsdale	NCEMC
Poe Reed	CenterPoint Energy
Debbie-Anne Reese	FERC
Jennifer Rinker	Spectra Energy
Elliot Roseman	ICF International
Chad Salisbury	South Carolina Public Service Authority
Daniel Sanborn	CenterPoint Energy
Dave Schryver	American Public Gas Association
Jack Semrani	Ballard Spahr LLP
Eric Senkowicz*	FRCC
David Shaffer	Wright & Talisman, P.C.
Glenn Sheffield	Southern Natural Gas Co.
Richard Siegel	Sequent Energy Management
Nano Sierra	Office of Electric Reliability, FERC
Lisa Simpkins	Exelon Corporation
Donald Sipe*	PretiFlaherty
Richard Smead*	Navigant Consulting Inc.
Jason Smith	MISO
Kerry Smith	CenterPoint Energy
Andrew Soto*	American Gas Association
Andrea Spring	Office of External Affairs, FERC
Deborah Swanstrom	Patton Boggs LLP
Jason Sweeney	CenterPoint Energy
Edward Tatum	Old Dominion Electric
Elizabeth Teuwen	Jennings Strouss
Michelle Thiry	Entergy
John Thomas	Dalton Utilities
Michael Thompson	Wright & Talisman, P.C.
Ronald Tomlinson	Dominion Transmission Inc.
Brent Trefz	J.P. Morgan Ventures Energy Corporation
Jeff Turcotte	ISO New England
Donald Wagner	Stevens & Lee
Jennifer Waters	East Tennessee Group/Crowell & Moring
Mitzi Wertheim	Naval Postgraduate School
Janine Whitken	Ecology & Environment
Dena Wiggins	Ballard Spahr/PGC

Paul Wilcoxon
Dan Williams
Kate Winston
Jeff Wright
Damon Xenopoulos
Christopher Young
Gerry Yupp*

CF Industries Inc.
C2E2 Strategies
Platts/Inside FERC
Office of Energy Projects, FERC
Brickfield Burchette Ritts & Stone, PC
Exelon Corporation
Florida Power & Light Company