Coordination between Natural Gas and Electricity Markets

Technical Conference on Natural Gas and Electric Scheduling
Docket No. AD12-12-000
April 25, 2013

Updated Agenda

9:00 - 9:20am Welcome and Opening Remarks

The purpose of this technical conference is to further explore concerns regarding gas-electric scheduling conflicts, consider whether adjustments to scheduling or capacity release rules or practices are needed, and identify specific areas in which additional guidance or regulatory changes could be considered. The conference will explore whether potential modifications in these areas would facilitate more efficient use of existing electric or natural gas infrastructure.

9:20 – 9:35am Opening Staff Presentation

Staff will make a presentation on the gas and electric days, the gas scheduling timeline and electric scheduling timelines.

9:35 – 12:30pm Coordination of Gas and Electric Schedules

The morning roundtable will address how to best align the gas and electric schedules, including whether and on what geographic footprint an "energy day"[1] and the scheduling for that day should be pursued, and whether there is a need for interregional or regional gas or electric scheduling modifications. This roundtable session will address whether and to what extent the electric and natural gas scheduling practices need to be aligned, what scheduling practices need to be revised (gas, electric or both), and whether

[1] The term "energy day" in this context refers to a simultaneous 24-hour time period when gas flow and electric generator commitments are effective. Currently, the "day" for purposes of measuring natural gas flows begins at 9:00 am Central time; however, the "day" for purposes of measuring electricity flows begins at midnight local time.

alignment should be national, regional, or interconnection-wide. Recognizing that the electric markets vary by region, this roundtable session will also explore how electric markets are responding to the needs of gas-fired generators.

Roundtable panelists should be prepared to discuss the following:

- What would be the consequences of implementing a single "energy day" that combines the gas and electric days and the scheduling for that day?
- If an interregional or regional approach to harmonizing gas or electric scheduling would improve efficient use of existing infrastructure, how could the different gas and electric geographic footprints be reconciled? How would this work for organized and bilateral electric markets?
- Some have proposed to integrate gas and electric scheduling on an interregional basis through a coordinated Eastern Interconnection gas and electric schedule and a coordinated Western Interconnection gas and electric schedule. What are the consequences of such a proposal?
- How could such interregional electric schedules be harmonized with the natural gas schedule?
- Would coordination of the gas nomination and electric bidding and commitment schedules on an interregional basis result in more efficient use of existing infrastructure?
- If gas or electric schedules were adjusted on a regional basis, should the adjustments be limited to day-ahead schedules, or also include changes to intraday (gas) and real-time (electric) schedules? What are the benefits and costs to each approach?
- Given technological advances, are there opportunities to reduce the time between electric offers and resource commitment? What would the benefits and costs be to implementing such a change?
- Given the increasing reliance on gas-fired generation, are there changes required to the current schedules used in wholesale electric markets to commit gas-fired generation in the Day-Ahead market?
- Is there a need to sequence the timing of electric market clearing across adjacent wholesale electric markets? If so, how can the market clearing in adjacent regions be sequenced to promote efficient use of infrastructure? What are the costs and benefits of adjusting the electric market scheduling timeline across adjacent wholesale markets?
- Could electric scheduling modifications allow gas-fired generators to make or adjust gas commitments to avoid periods of gas illiquidity?
- Should electric system operators provide an opportunity for generators to adjust their offers after commitments have been posted or during the operating day to account for changes in gas or transportation costs?

12:30 – 1:30pm Lunch

1:30 – 4:30pm Natural Gas Pipeline Flexibility and Potential Scheduling Adjustments

The afternoon roundtable will address suggestions regarding incremental changes to gas scheduling and explore the services already provided by pipelines, marketers and capacity release markets and whether these services could be expanded to provide additional use of existing infrastructure.

Roundtable panelists should be prepared to discuss questions including:

- As some parties have suggested, should additional natural gas nomination opportunities be provided within the scheduling timeline? For example, would an additional nomination period during the night or early morning provide flexibility that would be used by shippers? What are the costs and benefits of doing so?
- Is it sufficient to permit enhanced pipeline nomination opportunities by individual pipelines given the need to coordinate such nominations with upstream and downstream parties?
- Given technological advances, are there opportunities to reduce the time between gas nominations and confirmations for intraday nominations? What would be the benefits and costs of implementing such a change?
- The current business practice standards (NAESB Standard 1.3.80) permit shippers with scheduled gas past the point of a constraint to sell or transfer that gas supply to others without the need to reschedule. How do pipelines implement this requirement? What revisions, if any, are needed to provide more flexibility? How can marketers use this standard to help transfer gas?
- Should the no-bump rule be eliminated or the timing adjusted if additional nomination period(s) are added?
- Do changes need to be made to Commission policies to permit third parties to offer virtual storage or other balancing services? What are the advantages or disadvantages of such a change?
- What tools and services do generators use to manage procuring gas and transportation outside the common trading periods and over weekends? Could existing tools be expanded? Are any additional tools needed to manage difficulties with fuel supply arrangements outside standard trading periods?
- Pre-arranged capacity release transactions can be scheduled at every nomination opportunity on a pipeline. Are there any changes to the capacity release program that would make capacity release more efficient?
- To what extent and how do shippers use redirect options and flexible delivery point nominations? How might this be improved?

4:30 – 5:00pm Closing

- Recap of what staff heard throughout the day
- Participant feedback
- Areas for further consideration, including issues outside of scheduling

Roundtable Participants

Morning Session

John Bretz, Vice President, Marketing
Anadarko Energy Services

Robert Hayes, Vice President, Physical Trading and Operation
Calpine Corporation

Georgia Carter, Senior Vice President, Rates & Regulatory Affairs,
Columbia Pipeline Group

Jim Ginnetti, Senior Vice President
EquiPower Resources Corp.

Lin Franks, Senior Strategist, RTO, FERC & Compliance Initiatives (on behalf of EEI)
Indianapolis Power & Light Company

Peter Brandien, Vice President of System Operations
ISO New England

Ray Miller, Vice President, Pipeline Management
Kinder Morgan

Wes Yeomans, Vice President, Operations/ Kelli Joseph, Gas & Electric Analyst
New York ISO

Joe Gardner, Vice President, Forward Markets & Operations Services
MISO

Michael Frey, Vice President, Gas Supply & Operations
Municipal Gas Authority of Georgia

James Stanzione, Director of Federal Regulatory (On behalf of the American Gas Association)
National Grid Policy

Donald Sipe, Attorney (On behalf of American Forest & Paper Association)
PretiFlaherty

Todd Snitchler, Chairman (On behalf of NARUC)
Public Utilities Commission of Ohio

Greg Lander, President
Skipping Stone

Carl Haga, Gas Services Director
Southern Company

Bruce Rew, Vice President, Operations
Southwest Power Pool

Richard Kruse, Vice President, Regulatory
Spectra Energy

Afternoon Session

Daniel Buckner, Director of Fuels Origination and Strategic Development
ACES (On behalf of Electric Power Cooperatives)

John Fortman, Director, Commercial Services
AGL Resources

John Bretz, Vice President, Marketing
Anadarko Energy Services

Patrick Dinkel, Vice President, Resource Management
Arizona Public Service Company

Mark Evans, Vice President, North America Gas and Power Market
BG Energy Merchants, LLC

Kathy Kirk, Senior VP, Marketing & Origination/ Adina Owen, Corporate Counsel
Boardwalk Pipeline Partners, LP

Tina Burnett, Senior Energy Analyst (On behalf of Process Gas Consumers Group)
The Boeing Corporation

Kevin Holder, Senior Vice President and Chief Commercial Officer
Cardinal Gas Storage Partners

Chris Ditzel, Division Vice President, Commercial Operations
CenterPoint Energy

John Rudiak, Senior Director, Energy Supply (On behalf of the New England Gas LDC Group)
CT Natural Gas & So. CT Gas

Mary Nelson
Devon Energy Corporation

Brad Holmes, Vice President, Market Services
Energy Transfer

Michelle Thiry, Director Energy Management Organization
Entergy

Jim Ginnetti, Senior Vice President
EquiPower Resources Corp.

Scott Rupff, Vice President, Marketing, Development & Commercial Operations
Iroquois Pipeline Operating Company

Gene Nowak, Vice President, Transportation & Storage Services
Kinder Morgan

Rick Smead, Director (On behalf of America's Natural Gas Alliance)
Navigant Consulting

Jim Dauer, Director, Natural Gas Trading
NRG Energy, Inc.

Richard Kruse, Vice President, Regulatory
Spectra Energy

Valerie Crockett, Senior Program Manager Regulatory Policy
TVA

Curt Dallinger, Director Gas Resource Planning
Xcel Energy