

## **Generation Viewpoint**

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

**FERC Technical Conference  
February 13, 2013**

Jim Ginnetti, Senior Vice President  
EquiPower Resources Corp.

# Introduction of EquiPower Resources Corp.

## 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

# Background

- 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.