**via posting**

**TO:** NAESB Board Gas-Electric Harmonization Committee Members and posting for interested industry parties

**FROM:** Jonathan Booe, Executive Vice President & CAO, NAESB

**RE:** NAESB Board Gas-Electric Harmonization Committee Meeting Notes – November 23, 2021

**DATE:** December 3, 2021

Dear Gas-Electric Harmonization Committee Members

A Gas-Electric Harmonization Committee meeting was held on November 23, 2021. The meeting was called to order at 1:00 pm Central. Mr. Desselle presided over the meeting. The notes and attachments below serve as a record for the meeting.

| **NAESB Board Gas-Electric Harmonization Committee Meeting – November 23, 2021** | |
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| **Administrative:** | Mr. Desselle welcomed the participants to the meeting and noted that the antitrust and other meeting policies guidance would be followed during the meeting. Quorum was established through roll call. Mr. Desselle reviewed the revised draft agenda that was posted for the meeting with the participants and asked for any modifications. None were offered. Ms. Lander moved to adopt the agenda as proposed, and Mr. Ellsworth seconded the motion. The motion passed without opposition. Mr. Desselle reviewed the August 26, 2021 meeting notes with the participants and asked for any modifications. None were offered. Mr. Lander moved to adopt the meeting notes, and Mr. Burks seconded the motion. The motion passed without opposition. |
| **Review of the FERC, NERC & Regional Entities February 2021 Cold Weather Grid Operations Final Report & Proposed Standards Request** | Mr. Desselle stated that the [FERC, NERC, and Regional Entity Final Staff Report - The February 2021 Cold Weather Outages in Texas and the South Central United States](https://naesb.org/pdf4/ferc_nerc_regional_entity_staff_report_Feb2021_cold_weather_outages_111621.pdf) was released on November 16, 2021, and among its recommendations, a proposal has been made to establish a natural gas and electric market forum to identify concrete actions to improve the reliability of the natural gas infrastructure system necessary to support the Bulk Electric System. He noted that NAESB has an ANSI accredited process for developing market coordinated work products and has a long history of serving as a forum that supports both the natural gas and electric markets. He stated that NAESB may be the appropriate organization to respond to the recommendation and that he has developed standards request that is intended to serve as a starting point for coordination discussions. He requested that the Committee review the standards development request during the meeting and consider endorsing it for submission to the NAESB office.  Mr. Ellsworth asked if there has been any indication that NAESB is being consider as the forum noted in the report. Mr. Smead stated that outside of joint trade association effort, such as an initiative by the Natural Gas Council and Edison Electric Institute, NAESB would be a likely candidate and has a history of considering some of the issues presented in the report. Mr. Lander stated his support for the standards request and noted the importance of keeping the FERC informed concerning the activities the organization undertakes in the area. Mr. Sappenfield echoed Mr. Smead’s and Mr. Lander’s comments and suggested that press release be developed noting that NAESB is prepared to work on the issues identified in the report. Mr. Gee stated that he also supports NAESB taking a pro-active approach but should make clear that whatever work is undertaken by NAESB is not intended to supplant or displace any action FERC intends to take and will complement any action the Commission does take. He emphasized the importance of having state representation involved in the process and noted the alignment of the organization’s structure with that goal. Mr. Gugel noted that some of the recommendations included in the report are focused on reliability, which may not be appropriate for NAESB, but NAESB could be a great organization to catalyze the discussions between the natural gas and electric market participants and support coalescence on certain issues. He stated that having a reliability focused organization in place for the electric industry has served the country well and that the report has recommended holding conversations about creating an equivalent organization for the natural gas industry. Mr. Smead stated that NAESB has been excellent at identifying policy issues and leaving those to the regulators in the past and that a similar exercise here would be helpful. Mr. Peress stated that some of the areas for action identified in the report are currently addressed through NAESB standards and that it is in the industries’ best interest for NAESB to maintain purview over those areas. Mr. Spangler stated his support for NAESB serving as the forum noted in the report and noted that serving in that role will require a significant amount of outreach to other constituencies to provide a better understanding of NAESB’s mission. He also stated that the report has done an excellent job of identifying the cost in both a dollar amount and in human lives when the markets are not doing all things possible to ensure reliability. Mr. Nowak cautioned that NAESB should not take on responsibilities outside of the scope of the organization and noted that there is currently a proposal under review by the House Energy and Commerce Committee to consider the creation of a pipeline reliability organization. Mr. McIntyre stated support for NAESB acting as the forum noted in the report and noted that the standards request proposed by Mr. Desselle and Southwest Power Pool does not preclude any action by FERC.  Mr. Brown asked if the work proposed in the standards request would address the recommendations in the report related to weatherization. Mr. Gugel stated that weatherization is not solely a reliability issue and that it could have an impact on how market products are defined. Ms. McQuade stated that NAESB has developed reporting standards, such as for gas quality, that don’t set definitions but require the reporting of what has been defined. Mr. Desselle cautioned that NAESB should not cross over into market design requirements. Ms. McKeever stated that weatherization was the biggest contributor the issues in February and that baseline best practices should be developed by NAESB, assuming policy issues can be avoided.  Mr. Gee stated that he understood from recent comments by Commissioner Clements that the Commission is going to take a deep look into how the electric and natural gas sectors are integrated and that he believes there are already discussions underway about the creation of the forum at the Commission; however, NAESB should not take a wait-and-see approach premised on action by NARUC and possible legislation. Mr. Nowak stated that only the interstate pipelines are regulated and that the major issues identified in the report did not concern the interstate pipelines. He noted that NAESB was only noted twice in footnotes in the report, and although he is comfortable moving forward with the standards request, we need to be clear that what is considered is within the organization’s scope. Mr. Agen stated that the American Gas Association supports the standards request as a joint project and that NAESB is a good venue to address some of the issues going forward in concert with other industry forums, including any established by FERC. Mr. Simon recommended that the NAESB leadership discuss the possibility of including market coordination on the agendas for the February NARUC meetings with Greg White.  Mr. Lander moved that the Committee endorse the draft standards request for submission to NAESB and that it become a high priority for the organization. Mr. Gugel seconded the motion. Mr. Nowak asked if the request would be triaged as any other request. Ms. McQuade confirmed that it would be triaged and that our existing structure can facilitate joint standards development efforts, even with the involvement of the retail markets quadrant. Mr. Desselle asked if there any opposition to the motion. None was offered. |
| **Identification of Action Items & Next Steps** | Mr. Desselle stated that he will submit the standards request to NAESB and that if it is supported, he will work the staff and NAESB leadership to initiate discussions with FERC, NERC, NARUC and conduct other appropriate industry outreach, including related press releases. |
| **Other Business** | Ms. Lani stated that the Texas Railroad Commission had a rulemaking close on November 1, 2021 that was intended to identify the critical natural gas infrastructure within the state. She also noted that the FERC, NERC and Regional Entity technical conference concerning weatherization will take place on April 28, 2021. |
| **Adjourn:** | The meeting was adjourned at 2:13 pm Central. |
| **Work Papers Provided for the Meeting:** | **Meeting Related Documents:**   * Announcement and Agenda: <https://naesb.org/pdf4/geh112321ra.docx> * Antitrust Guidance and Other Meeting Policies: <http://www.naesb.org/misc/antitrust_guidance.doc> * Committee Roster: <https://naesb.org/pdf4/board_gas_electric_harmonization_members.pdf> * August 26, 2021 Meeting Notes: <https://naesb.org/pdf4/geh082621notes.docx> * Preliminary Findings and Recommendations Presentation: <https://www.naesb.org/pdf4/Feb2021_cold_weather_grid_operations_preliminary_findings_recommendations_092321.pdf> * FERC, NERC, and Regional Entity Staff Report - The February 2021 Cold Weather Outages in Texas and the South Central United States: <https://naesb.org/pdf4/ferc_nerc_regional_entity_staff_report_Feb2021_cold_weather_outages_111621.pdf> * Draft Standards Request Submitted by M. Desselle, SPP: <https://www.naesb.org/pdf4/geh112321w1.docx> * Final Transcript - 10/12/21 Tech Conference AD21-10: <https://naesb.org/pdf4/geh112321w2.pdf> |

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| **NAESB Board Gas-Electric Harmonization Committee Meeting Attendance – November 23, 2021**  **COMMITTEE MEMBERS** | |
| **Name** | **Organization** |
| Michael Desselle *(Co Chair)* | Southwest Power Pool |
| Scott Brown | NAESB Advisory Council |
| J. Cade Burks | Big Data Energy Services |
| Brad Cox | Tenaska, Inc. |
| Bruce Ellsworth | New York State Reliability Council |
| Bob Gee | Gee Strategies Group, LLC |
| Howard Gugel | North American Electric Reliability Corporation |
| Gregory Lander | Skipping Stone, LLC |
| Ken McIntyre | MISO |
| Debbie McKeever | Oncor Electric Delivery Company, LLC |
| Gene Nowak | Kinder Morgan, Inc. |
| Naim Jonathan Peress | Southern California Gas Company |
| Keith Sappenfield | Corpus Christi Liquefaction, LLC |
| Donnie Sharp | Huntsville Utilities, rep. American Public Gas Association (APGA) |
| Timothy Simon | TAS Strategies |
| Rick Smead | RBN Energy, LLC |
| Leigh Spangler | Latitude Technologies, an ESG Company |
| Terrance (Terry) Thorn | JKM Energy & Environmental Consulting |
| **OTHER ATTENDEES** | |
| **Name** | **Organization** |
| Mathew Agen | American Gas Association |
| Jonathan Booe | NAESB |
| Paul Borkovich | Southern California Gas |
| Brad Bouillon | California ISO |
| Christopher Burden | Enbridge (U.S.) Inc. |
| Rebecca Carroll | PJM |
| Chuck Cook | Chevron Natural Gas |
| David Crabtree | Tampa Electric Company |
| Dave Darnell | Systrends |
| Carrie Dixon | Xcel Energy |
| Kathryn Ferreira | New Jersey Natural Gas |
| Gurinder Goel | TVA |
| Mark Gracey | Kinder Morgan Inc. |
| Brandon Guderian | Devon Energy Corporation |
| Tom Gwilliam | Iroquois Gas Transmission |
| Kathrine Herrera | American Gas Association |
| Micki Hoffee | Northern Natural Gas |
| Rachel Hogge | Eastern Gas Transmission and Storage Inc. |
| Alan Johnson | NRG |
| Mike Knowland | ISO New England |
| Pete Koszalka | PG&E |
| Robert Kott | California ISO |
| Darren Lamb | California ISO |
| Renee Lani | American Public Gas Association |
| Mark Lauby | NERC |
| Nichole Lopez | Kinder Morgan Inc. |
| Patricia Lynch | NRG |
| Andrew MacBride | National Grid |
| Elizabeth Mallett | NAESB |
| Steve McCord | TC Energy Corporation |
| Rae McQuade | NAESB |
| Megan Miller | Enbridge |
| Sarah Myrick | Southern Company |
| Linn Oelker | LG&E and KU Services Company |
| Joshua Phillips | Southwest Power Pool |
| Chris Russo | ExxonMobil Corporation |
| Debbie Santolin | Southern Company |
| Ben Schoene | ConocoPhillips |
| Bahaa Seireg | Consolidated Edison of New York |
| Lisa Simpkins | Exelon |
| Benjamin Smith | TECO Energy |
| Veronica Thomason | NAESB |
| Michael Tita | FERC |
| Sarah Tomalty | BP Energy |
| Caroline Trum | NAESB |
| Sam Watson | Rep. National Association of Regulatory Utility Commissioners |
| Rodney Wheeler | California ISO |
| Stan Wolf | FERC |
| David Wollman | NIST |
| Pat Wood | Hunt Energy Network |
| Kenneth Yagelski | Southern Company Gas Company |
| Bill Zuretti | EPSA |