**via posting**

**TO:** Interested Industry Parties

**FROM:** Caroline Trum, Director, Wholesale Electric Quadrant

**RE:** Draft Minutes from June 14, 2024 – Joint WEQ/WGQ/RMQ BPS Meeting

**DATE:** June 27, 2024

**WHOLESALE ELECTRIC QUADRANT**

**WHOLESALE GAS QUADRANT**

**RETAIL MARKETS QUADRANT**

**Joint WEQ/WGQ/RMQ Business Practices Subcommittees**

**Conference Call**

**June 14, 2024 – 10:00 AM to 12:00 PM Central**

**DRAFT MINUTES**

1. **Welcome**

Mr. Phillips welcomed the participants to the meeting. Ms. Trum provided the antitrust and meeting policies reminder. Mr. Phillips reviewed the agenda. Mr. Lander moved, seconded by Mr. Yagelski, to adopt the agenda. The motion passed a simple majority vote without opposition.

Mr. Phillips reviewed the draft minutes from the May 6, 2024 meeting with the participants. No modifications were offered. Mr. Lander moved, seconded by Ms. Van Pelt, to adopt the draft minutes as final. The motion passed a simple majority vote without opposition. The final minutes for the May 6, 2024 meeting are available through the following hyperlink: <https://naesb.org/pdf4/weq_wgq_rmq_bps050624fm.docx>.

1. **Continue to Discuss 2024 WEQ Annual Plan Item 6 / 2024 WGQ Annual Plan Item 4 / 2024 RMQ Annual Plan Item 3 – Gas-Electric Market Coordination**

Review and Discuss Previously Submitted Comments

Mr. Phillips asked Ms. Stabley to review the comments. Ms. Stabley stated that during critical periods, interstate pipelines may have minimal visibility regarding forecasted load and suggested that the Joint BPS consider if standards supporting the communication of hourly forecasted load profile, daily forecasted storage takes, and daily forecasted imbalance volumes for the current and next day by local distribution companies and natural gas-fired generators connected to a pipeline’s system. She explained that Piedmont Natural Gas provided this information to its interstate pipelines during recent critical winter events and received feedback from a majority of the entities that the data was helpful.

Ms. Ferreira suggested that before considering further development of the proposal, the participants determine if standardizing such communication processes will be beneficial to interstate pipelines. Mr. Smith stated that FERC Order No. 698 includes information sharing directives to support gas-electric coordination that address the areas noted in the proposal. Ms. Van Pelt noted that the NAESB WEQ-WGQ Gas-Electric Coordination Business Practice Standards includes standards related to the communication of material changes that may impact hourly flows and projected hourly flow rates between interstate pipelines and power plant gas coordinators. Mr. Smith explained that during critical periods, an interstate pipeline may already be operating at maximum capacity and not able to take any action based on the data. Ms. Bagot stated that in pursuing the development of standards, the subcommittees should ensure that the data to be communicated is of use to the receiving party in making operational decisions. Mr. Smith suggested that greater benefit may be realized by ensuring that shippers have broad situational awareness during critical events regarding supply issues, enabling the shipper to adjust nominations to more accurately reflect available supply.

Ms. Stabley asked how often parties are required to communicate the directed information under FERC Order No. 698. Ms. Hogge stated that the frequency of communications will vary by the specific communication protocols an interstate pipeline has established with the various parties. Mr. Smith noted that there is an expectation that when a material change occurs, this is communicated to the interstate pipeline by the natural gas-fired generator and there will be ongoing discussion between the parties regarding the impact of the change.

Mr. Phillips stated that during the previous meeting, TVA noted that it provides the type of data described by the proposal to its interstate pipelines and there was related discussion regarding the need for a standardized data format. Ms. Walker stated that TVA provides the data as required under FERC Order No. 698 based on the specific protocols established with each interstate pipeline. She noted that some pipelines accept the data in a spreadsheet format while others require the information to be communicated electronically and uploaded to its electronic bulletin board. Mr. Phillips asked if there was any support for considering the development of standards related to this proposal. Mr. Smith suggested that as not all interstate pipelines will find the data beneficial and may have differing preferred communication methods, the Joint BPS not move forward with further consideration of the proposal. No other comments were offered.

Review and Discuss Informal Comments in Response to the Joint BPS Chairs Scenario Based Communication Gap Analysis Work Paper

Mr. Phillips stated that informal comments were submitted by American Public Gas Association (APGA), the Interstate Natural Gas Association of American (INGAA), National Grid, the Natural Gas Supply Association (NGSA), MISO, jointly by Independent Electric System Operator (IESO), ISO New England (ISONE), New York ISO (NYISO), MISO, PJM, and Southwest Power Pool (SPP), the Electric Power Supply Association (EPSA), and Skipping Stone. He reminded the participants that the request for informal comment included questions from the Joint BPS Chairs related to the six communication gaps identified in the Joint BPS Chairs Scenario Based Communication Gap Analysis Work Paper: (1) lack of communication during extreme weather events of upstream supply issues, including invocations of force majeure, by parties with direct knowledge to critical stakeholders that are not part of the transactional and operational chain; (2) timely communications to all stakeholders regarding critical events impacting natural gas supply; (3) the inclusion of specific location information as part of informational postings by interstate pipelines; (4) timely communications to stakeholders regarding recovery timelines and expectations when natural gas supply is lost due to weather and/or operational disruptions; (5) timely communications of natural gas consumption that deviates from contractual commitments; and (6) improved understanding of pipeline-initiated confirmation and/or nominations reductions not captured by operational flow orders and/or underperformance notices.

Mr. Phillips asked Ms. Novoa to review the comments submitted by APGA. Ms. Novoa stated that APGA members support the development of standards to address four specific areas: the communication of relevant information between impacted counterparties related to force majeure events, broader information sharing by pipelines with natural gas end users on a regional basis, standardized procedures for issuing notices by pipelines and other parties and the content of such notices, and the use of an industry tool or platform to support timely communication of force majeure notices to counterparties. Mr. Suchar noted that following recent winter storms, Williams has implemented a number of internal cross-function coordination processes that has increased the amount of information it can provide to its customers during events. He explained that these processes are likely pipeline-specific and not easily captured by standards.

Mr. Schoene suggested that a market-driven approach may be more effective regarding communication between counterparties during critical events and related the invocation of force majeure as parties are contractually obligated to share this type of information. He stated that real-time communications may contain more generic information regarding supply issues, explaining that force majeure is a fact-specific finding and detailed information regarding the conditions and reasons for invoking force majeure will likely not be available until after the event. He noted that the NARUC Gas-Electric Alignment for Reliability (GEAR) Working Group is discussing the need for improved communications to ensure buyers are receiving sufficient information to evaluate instances of force majeure.

Mr. Phillips asked Mr. Smith to review the comments submitted by INGAA. Mr. Smith stated that, from the perspective of its members as interstate pipelines, one of the principles guiding the responses provided by INGAA is support of proposals that would provide information pipelines can use to make operational decisions without having to make additional assumptions. He explained that INGAA is supportive of proposals related to the first and second issue to the extent standards could provide downstream entities with increased awareness of supply issues and allow suppliers to adjust nominations and confirmations with greater accuracy during critical events. Ms. Bagot agreed that information related to the invocation of force majeure and timely communication of supply issues during critical events would likely be of greatest use to contractual counterparties. She noted that as Mr. Schoene suggested, these areas may be better addressed through market-driven solutions rather than communication standards.

Ms. Ferreira stated that one area of previous discussion by the Joint BPS was the timely communication of underperformance notices at specific meter points from interstate pipelines. She explained that this information can be especially beneficial to downstream parties as an advanced indicator of possible supply issues that may impact future nomination cycles. Mr. Smith noted that there are existing NAESB WGQ Business Practice Standards that address the content of critical notices, including underperformance, and operational flow orders by interstate pipelines but that the specific triggers for when interstate pipelines issue such notices varies based on system condition and design. He stated that the consideration of further proposals in this area would need to ensure that the standards language would not inadvertently limit or restrict an interstate pipeline’s flexibility to manage the reliability of its system during critical events. Mr. Phillips suggested that the participants may want to consider reviewing the content of critical notices related to underperformance to ensure the parties receiving such notices are provided the necessary information. Ms. Chambers noted that communicating information to end-users regarding areas of underperformance in a consistent, useable format can help those parties communicate with their suppliers during critical events. Mr. Smith stated that INGAA is supportive of facilitating communications between interstate pipelines and customers and educational sessions regarding pipeline-specific processes for issuing these notices.

Mr. Phillips asked Mr. Bernstein to review the comments submitted by National Grid. Mr. Bernstein stated that the comments contain two proposals for the consideration of standards: prohibiting nomination ranking changes after the second intra-day nomination window and the use of EDI to support more timely reporting of flowing volumes by interstate pipelines to customers. Mr. Schoene noted that precluding any changes to nominations after the second intra-day nomination window would impact other necessary actions that must be taken by parties. He asked if additional details could be provided. Mr. Bernstein stated that National Grid is working with INGAA and the American Gas Association (AGA) regarding these proposals and can provide additional information at the next meeting.

Mr. Phillips asked Ms. Jagtiani to review the comments submitted by NGSA. Ms. Jagtiani stated when evaluating if standards are needed, the Joint BPS should first identify which entities would be the critical stakeholders and evaluate if existing notifications and market data can be more fully utilized. She noted that there are a number of third parties that provide comprehensive market and data analytic services as well as existing industry tools, such as the Argonne National Laboratory NGInsight, that may meet industry needs. She suggested that it may be helpful if the Joint BPS discuss the available options for market participants.

Mr. Phillips asked Mr. Harris to review the comments submitted by MISO. Mr. Harris stated that MISO would be supportive of proposals that could increase transparency and support real-time communication. He explained that this would include industry tools or regional communication processes that would improve the ability of an ISO/RTO to coordinate with natural gas pipelines and gas-fired power generators.

Mr. Phillips asked Mr. Stevenson to review the comments jointly submitted by IESO, ISONE, MISO, NYISO, PJM, and SPP. Mr. Stevenson stated that the commenting ISOs/RTOs are supportive of the Joint BPS continuing to explore proposals that support timely communication with stakeholders not part of the transactional or operational chain, such as pipeline operators and ISOs/RTOs, regarding upstream supply issues. He noted that areas of consideration could include proposals to standardize the format and content of notices to enable sharing of operational issues affecting the production, gathering, and processing of natural gas and centralized posting of such notices. Mr. Stevenson stated that as part of standards development, the Joint BPS would have to consider how to address concerns related to confidentiality. He explained that one possible consideration could be communication protocols directly between counterparties that supported greater consistency in information sharing, enhancing the ability of natural gas end users to communicate with other stakeholders.

Mr. Phillips asked Ms. Bagot to review the comments submitted by EPSA. Ms. Bagot stated that in considering the development of additional standards, the Joint BPS evaluate several key areas, including how the information will be used, whether the information will assist in extreme event operations or preparations, and if the information may lead to parties making broad or unsupported assumptions regarding the impact of the data. She explained that in addition to standards, the industry also needs to be considering solutions that will bridge operational and business differences between the natural gas and electric industries.

Mr. Phillips asked Mr. Lander to review the comments submitted by Skipping Stone. Mr. Lander explained that the comments are a white paper that proposes the use of hourly pricing of existing pipeline capacity and related services utilized to provide non-ratable service to natural gas-fired power generators. He explained that such price formation could provide enhanced economic incentives to offer such services as well as information regarding the frequency, magnitude, and duration of non-ratable services that could be used to support increases to capacity.

Mr. Phillips proposed that, due to time constraints, the participants discuss the remaining annual plan items, including the consideration of the recommendation regarding draft standards proposed by the Interstate Natural Gas Pipeline Draft Standards Work Paper, during the next meeting. There was no objection.

1. **Identify Next Steps and Action Items**

Mr. Phillips asked that, for the next meeting, participants review the draft recommendation and that those who provided comments suggesting areas of standards development, submit proposals for discussion.

1. **Discuss Future Meetings**

Mr. Phillips stated that the Joint BPS Chairs will work with the NAESB office to post and distribute an agenda for the July 8, 2024 meeting.

1. **Adjourn**

The meeting adjourned at 11:59 AM on a motion by Ms. Bagot, seconded by Mr. Lander.

1. **Attendance**

| **First Name** | **Last Name** | **Organization** |
| --- | --- | --- |
| Denise | Adams | ONEOK |
| Matthew | Agen | American Gas Association |
| Valerie | Annibali | Southwest Gas Corporation |
| Rob | Aytes | Southwest Gas |
| Nancy | Bagot | Electric Power Supply Company |
| Teresa | Baumann | Chesapeake Energy |
| Rebecca | Berdahl | Bonneville Power Administration |
| Jonathan | Bernstein | National Grid |
| Jonathan | Booe | NAESB |
| Layne | Brown | WECC |
| Christopher | Burden | Enbridge (U.S.) Inc. |
| Andrea | Chambers | DLA Piper |
| Jennifer | Coffee | Texas Pipeline Association |
| Dustin | DeGroff | Tenaska |
| Jay | Dibble | Chevron Natural Gas |
| Justin | Dorr | Avista Corporation |
| Kathy | Ferreira | New Jersey Natural Gas |
| Ana | Garza-Beutz | Southern California Gas Company |
| Mark | Gracey | Kinder Morgan |
| Shawn | Grant | CAISO |
| April | Gregory | Northern Natural Gas |
| Brandon | Guderian | Devon Energy Corporation |
| Tom | Gwilliam | Iroquois |
| Adrian | Harris | MISO |
| Ronnie | Hensley | Southern Star Central Gas |
| Rachel | Hogge | Eastern Shore Gas Transmission |
| Paul | Hughes | Southern Company |
| Patricia | Jagtiani | Natural Gas Supply Association |
| Samantha | Joyce | Philadelphia Gas Works |
| Damien | Kelliher | EEI |
| Wasiq | Khan | FERC Staff |
| Mike | Knowland | ISO-New England |
| Greg | Lander | Skipping Stone |
| Tomasz | Lange | Tenaska |
| Nichole | Lopez | Kinder Morgan |
| Gina | Mabry | Kinder Morgan |
| Eli | Massey | MISO |
| Mike | Mattox | MISO |
| Leif | Mattson | WBI Energy |
| Edward | McCluskey | Duke Energy |
| Steven | McCord | TC Energy |
| Shawn | McGovern | Occidental Energy Marketing |
| George | McGuirk | Xcel Energy |
| Megan | Miller | Enbridge (U.S.) Inc. |
| Mark | Moyer | EQT Energy |
| Nichole | Mulcahy | Nebraska Public Service Environment |
| Sarah | Myrick | Southern Company |
| Amrit | Nagi | NAESB |
| Liam | Noailles | Tallgrass |
| Jerry | Noland | CenterPoint Energy |
| Chris | Norton | American Municipal Power |
| Sydney | Novoa | American Public Gas Association |
| Linn | Oelker | LG&E and KU Services |
| Norman | Pedersen | Southern California Generation Coalition |
| Chris | Perry | Northern Natural Gas |
| Joshua | Phillips | Southwest Power Pool |
| L. Glenise | Pike | ONEOK |
| Thomas | Pinkston | FERC Staff |
| Daniel | Rendon | SSL.com |
| Will | Schwarzenbach | Dominion Energy |
| Ben | Schoene | Conoco Phillips |
| Cassandra | Shields | EEI |
| Lisa | Sieg | LG&E and KU Services |
| Paul | Sierer | Winterberry Energy |
| Christopher | Smith | INGAA |
| James | Sorrels | AEP |
| John | Stevenson | NYISO |
| Scott | Stewart | BPA |
| John | Sturgeon | Duke Energy |
| John | Suchar | Williams |
| Michael | Tita | FERC Staff |
| Sarah | Tomalty | BP Energy |
| Caroline | Trum | NAESB |
| Kimberly | Van Pelt | Boardwalk Pipelines |
| Carol | Vogel | Southwest Gas Corporation |
| Mallory | Waldrip | ISO-New England |
| Sandy | Walker | Tennessee Valley Authority |
| Mark | Wilke | SWN Energy Services Company |