

GEAR Recommendation Supporting the Creation of a Natural Gas Readiness Forum

BACKGROUND: The National Association of Regulatory Utility Commissioners created the Gas-Electric Alignment for Reliability, “GEAR”, Working Group on November 21, 2023. Current GEAR members include Georgia Commissioner and GEAR Chair Tricia Pridemore, Kansas Commissioner and GEAR Vice Chair Dwight Keen, Rhode Island PUC Chair Ronald T. Gerwatowski, Texas Commissioner Jimmy Glotfelty, Arizona Commissioner Lea Marquez Peterson, Michigan PSC Chairman Daniel C. Scripps, and Minnesota PUC Chair Katie Sieben. NARUC also invited key industry sector representatives to participate in the working group including Michael E. Bryson, Senior Vice-President of Operations, PJM, Mike Calviou, Senior Vice President, US Policy & Regulation, National Grid, Tina Faraca, Executive Vice President/President US Natural Gas Pipelines, TC Energy, Chris S. Moser, Executive Vice President, NRG, Rob Perkins, Vice President of Pipeline Management, Kinder Morgan, and Benjamin Schoene, Director, Commercial Natural Gas Regulatory Affairs, ConocoPhillips. The GEAR Working Group has sought to create solutions that benefit consumers and stakeholders in an energy marketplace that is growing increasingly more reliant on natural gas.

The GEAR working group participants recognize that increased peer-to-peer connections, communication, situational awareness, and education, across the entirety of the U.S. natural gas value chain, from producers to critical end users, bound by laws and regulations governing such communications and participation, would generate solutions to critical issues facing consumers and stakeholders.

As calamitous events impact growing numbers of consumers and stakeholders, such as severe weather and similar events, GEAR recognizes there is a need for the creation of an industry-led forum that will promote peer-to-peer connections, increase communication and situational awareness, and provide educational opportunities for stakeholders impacted by such events.

RECOMMENDATION: The GEAR Working Group supports the creation of a voluntary Natural Gas Readiness Forum, “Forum” or “NGRF” dedicated to the enhancement of U.S. natural gas value chain reliability via the promotion of communication, peer-to-peer connections, situational awareness, and education amongst its participants and stakeholder. The GEAR Working Group recommends the NGRF:

- invite a wide range of stakeholders to voluntarily participate, including, but not limited to, natural gas distribution operators, natural gas midstream operators (gathering, processing, transportation, storage), natural gas producers, state regulatory utility commissioners, Regional Transmission Operators, and Federal Energy Regulatory Commission representatives, as well as other entities identified by the Forum, including, e.g., other relevant state and federal agencies, natural gas consumers, electric power generators, and electric utilities;
- foster an environment, subject to anti-trust laws, that encourages discussion of operational readiness across the entirety of the U.S. natural gas value chain and critical end users as it applies to severe weather events, operational impact events, or any other incidents that materially adversely affect Forum participants, and serves to benefit all its participants;
- conduct an annual readiness summit at the beginning of the winter season that includes at a minimum, the representatives from the gas value chain, e.g., natural gas

transportation, storage, and distribution operators, natural gas producers, state regulatory utility commissioners, Regional Transmission Operators, and Federal Energy Regulatory Commission representatives.

- convene voluntary meetings outside of this annual summit to consider, e.g., educational opportunities, U.S. regional-focused discussions, and events that adversely affect the operations of Forum participants and the duties and actions of applicable stakeholders; Participants at this meeting should include, at a minimum, natural gas transportation, storage, and distribution operators, state regulatory utility commissioners, regional transmission operators, Federal Energy Regulatory Commission representatives.
- strictly limit its scope to communication, peer-to-peer connections, situational awareness, and education related to the reliability of the U.S. natural gas value chain;
- initially convene prior to the conclusion of 2024;

The GEAR Working Group also recommends the American Gas Association have the responsibility of administering the Forum, in collaboration with other natural gas value chain trade associations, to develop a process and scope that maximizes participation consistent with antitrust laws.