



# GAS COMMITTEE

## MONTHLY MEETING

JUNE 14, 2021

1:00 – 2:00 PM ET



## Agenda:

1. Presentation: NERC Summer Reliability Assessment  
*Jim Robb, President and CEO*  
*Mark Olson, Manager, Reliability Assessments*
2. Q&A
3. DOE-NARUC Natural Gas Partnership update
4. 2021 Summer Policy Summit update
5. Monthly Reports from the States
6. Other Business and Conclusion



# INTRODUCTIONS

Chairman D. Ethan Kimbrel  
Illinois Commerce Commission

# NERC

NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

# 2021 Summer Reliability Assessment

Presentation to NARUC Committee on Gas

*Jim Robb, President and CEO*

*Mark Olson, Manager, Reliability Assessment*

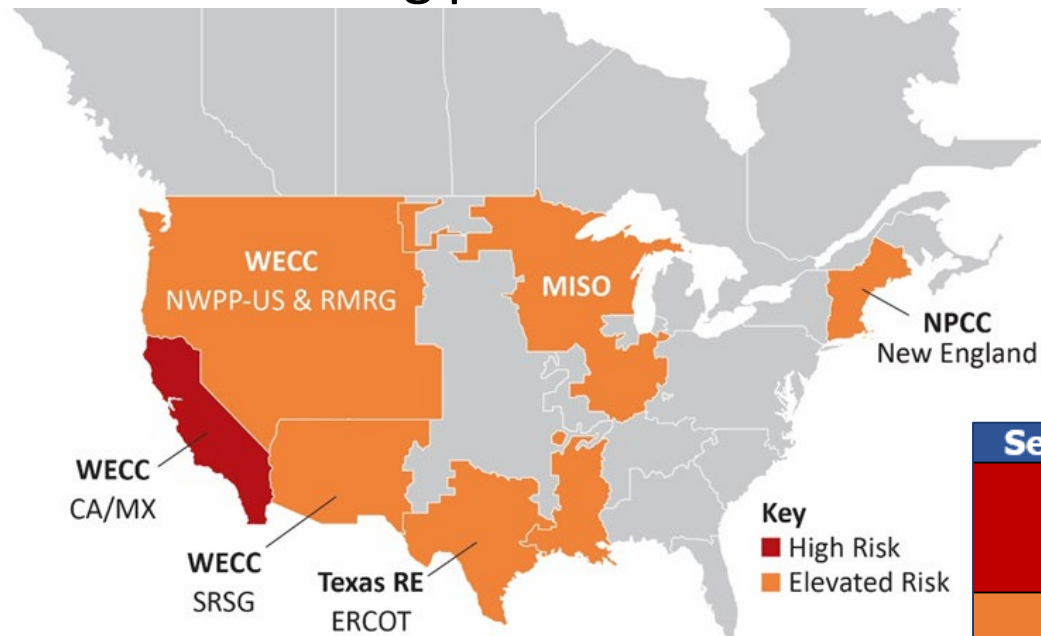
June 14, 2021

RELIABILITY | RESILIENCE | SECURITY



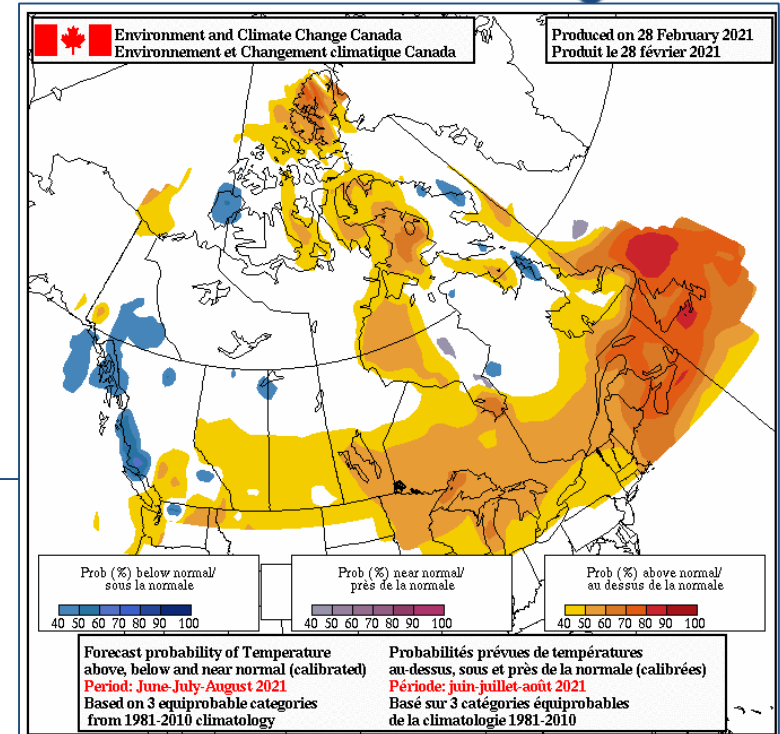
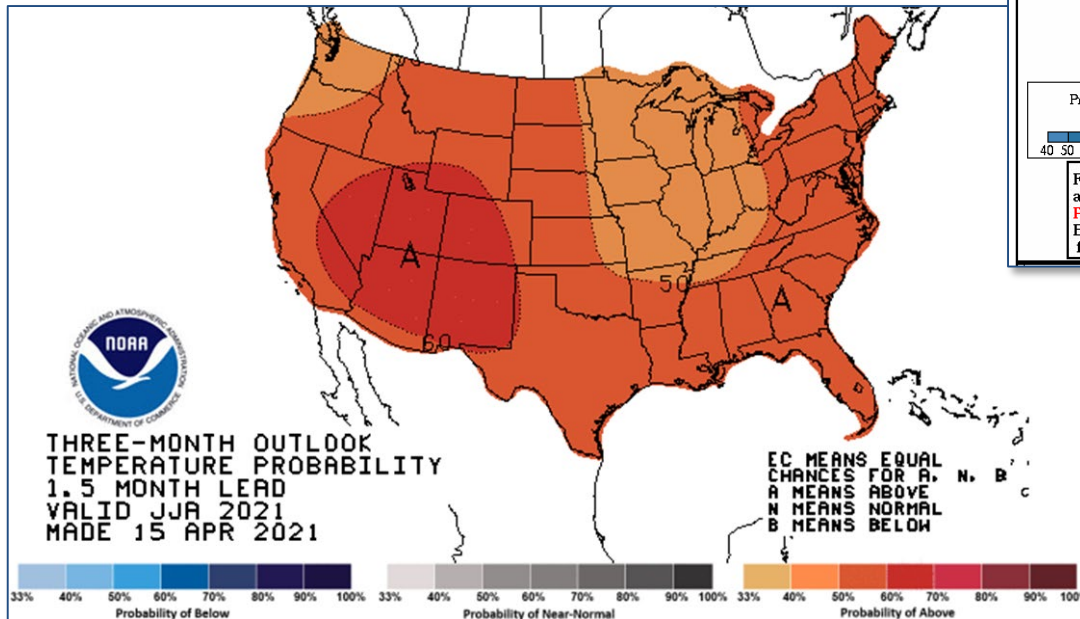
- 2021 Summer Reliability Assessment identifies:
  - High risk for the potential of energy shortfalls in California
    - Additional 3 GW of resources insufficient for above-normal demand over a wide area
  - Elevated risk for the potential of energy shortfalls in MISO, New England, Texas, and the West
- Potential shortfalls created by:
  - Above average seasonal temperatures
  - Grid transformation to more weather dependent generation resources
  - Wildfire-related outages compromising inter-state energy transfers

- Parts of North America are at **elevated** or **high** risk of energy shortfalls during peak summer conditions



Seasonal Risk Assessment Summary	
<b>High</b>	Potential for Insufficient Operating Reserves in Normal Peak Conditions
<b>Elevated</b>	Potential for Insufficient Operating Reserves in Above-Normal Conditions
<b>Low</b>	Sufficient Operating Reserves Expected

- Weather officials indicate above-normal temperatures are likely across much of North America
- Temperature is key driver for peak electricity demand in most areas

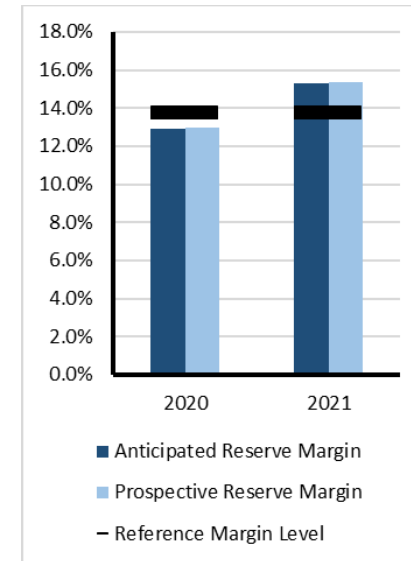


## Seasonal Forecast Maps | June - August

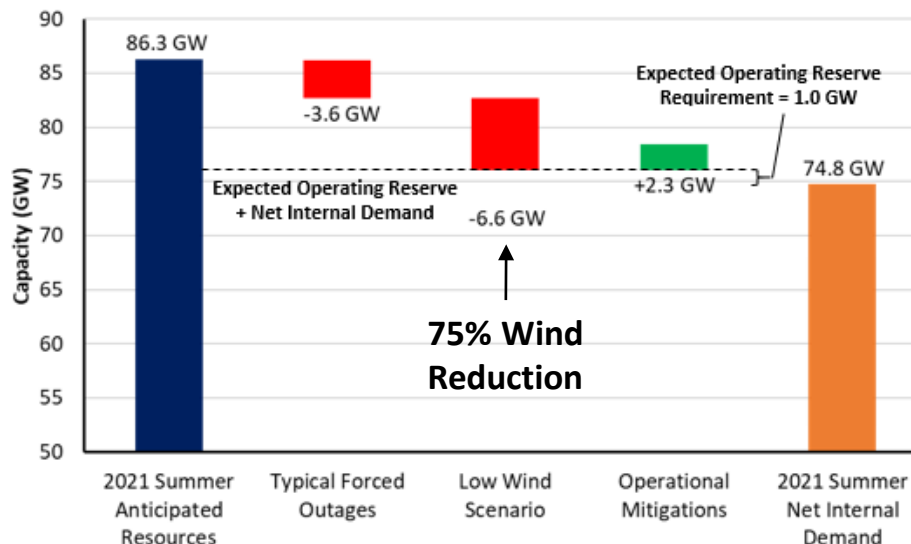
Sources: Natural Resources Canada and U.S.  
National Weather Service



- Nearly 8 GW of wind, solar, and battery resources added since summer 2020
- Summer Anticipated Reserve Margins above the ERCOT Reference Margin Level



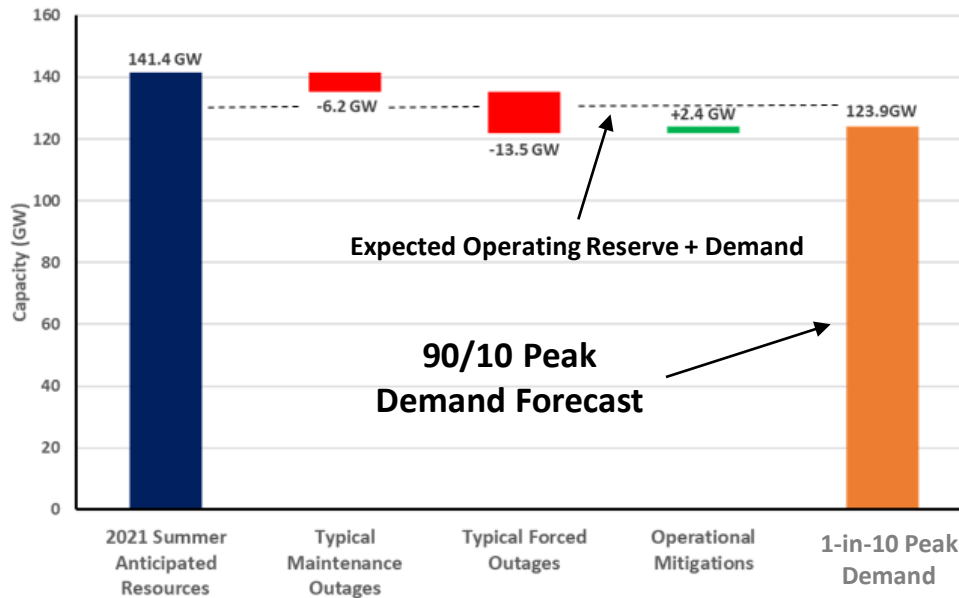
## Combination of Low-Wind and Normal Generator Outages



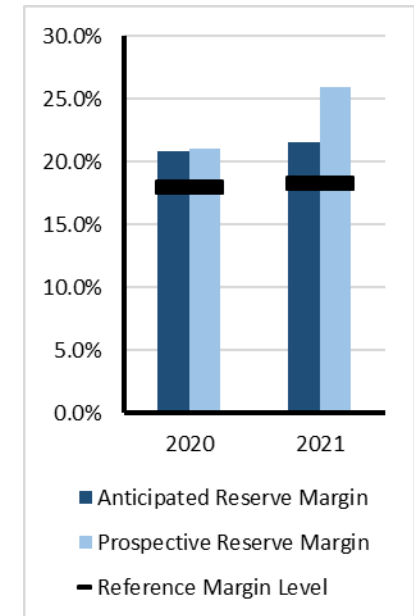
- Flexible resources must be available to respond to Low wind output at peak demand
- Above-normal demand and generator outage scenarios result in energy emergencies



- Summer reserve margin is slightly higher compared to 2020
- Increasing use of load modifying resources (e.g., demand response) and non-firm imports during peak demand

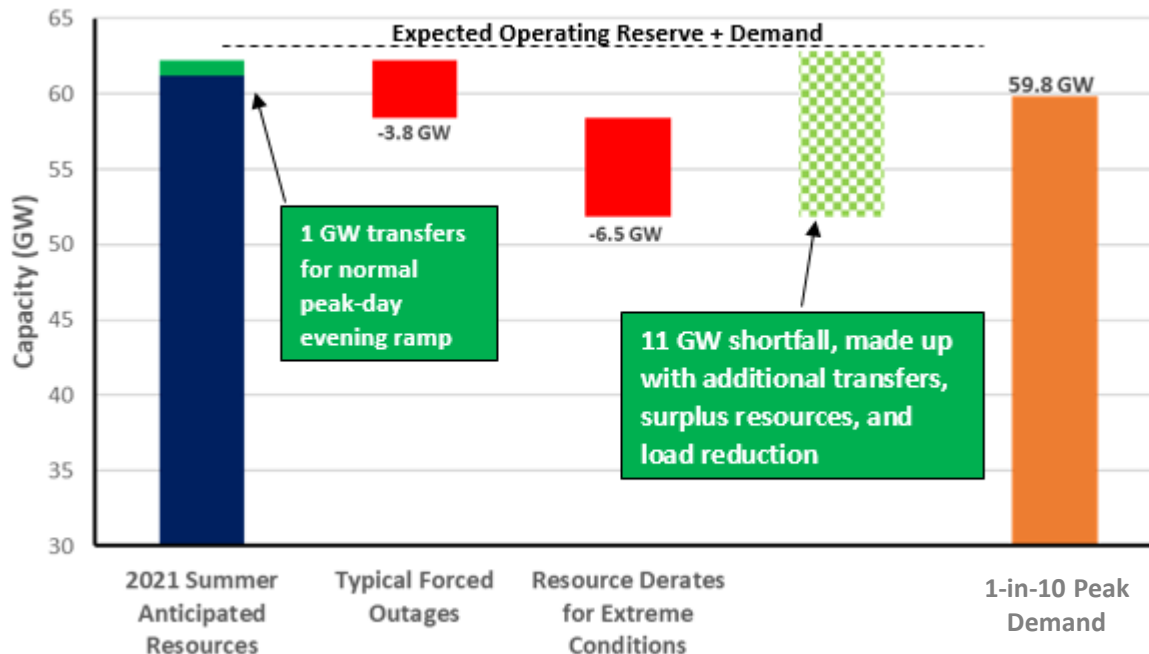


**Risk Scenario – 1-in-10 Peak Demand**

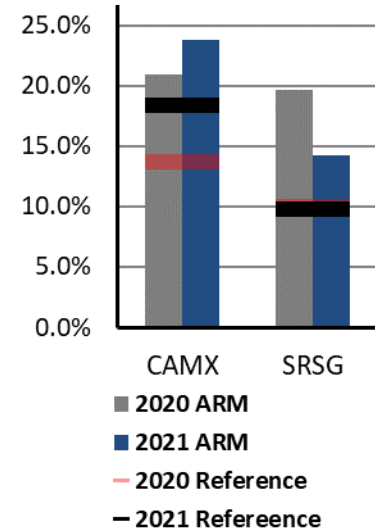


- Above-normal demand or low resource performance scenarios result in energy emergencies

- Western Interconnection resource levels are similar to 2020
- Transfers into CAMX are needed in late-afternoon to offset reduced solar PV output

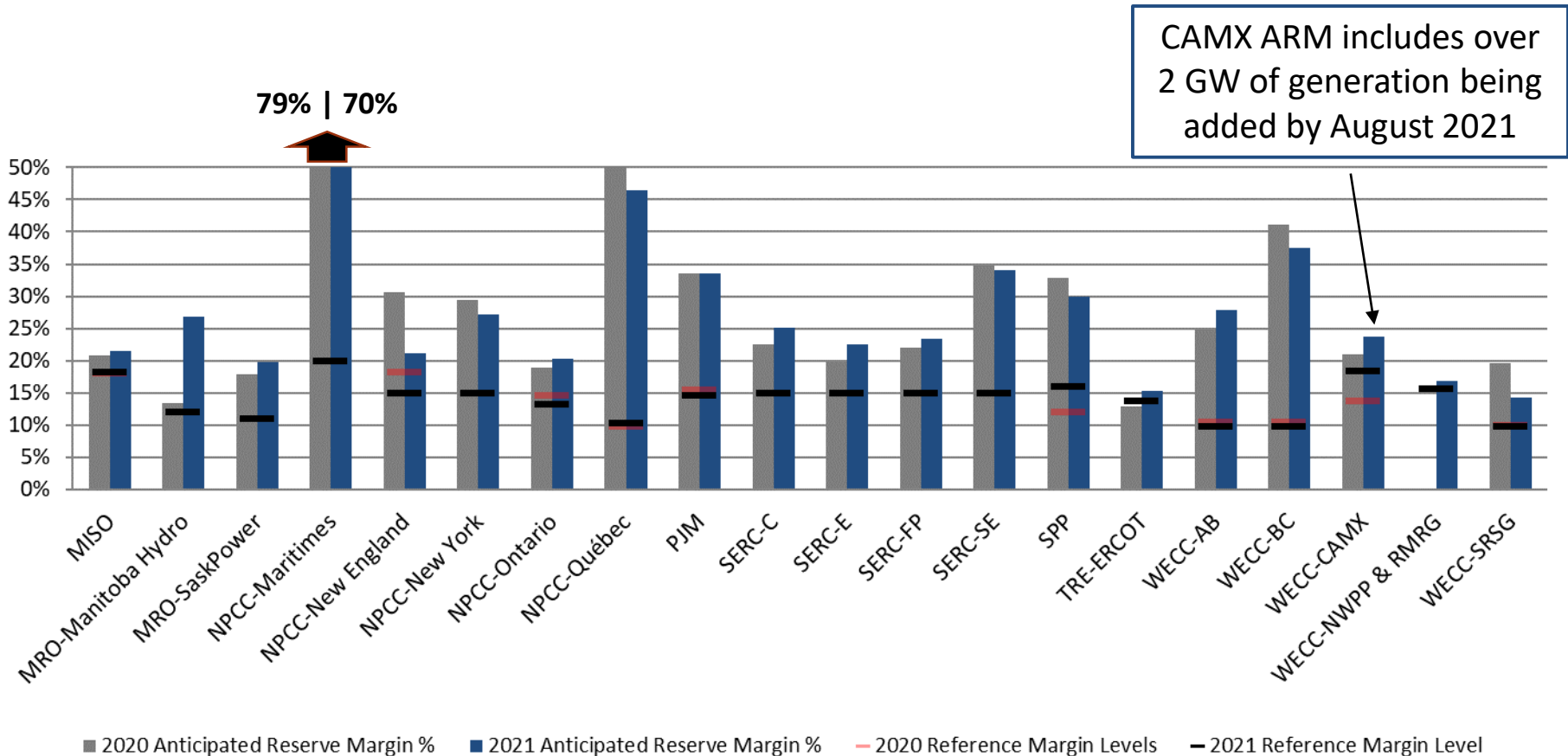


**CAMX and Southwest Reserve Group – Year-on-Year Reserve Margin Change**



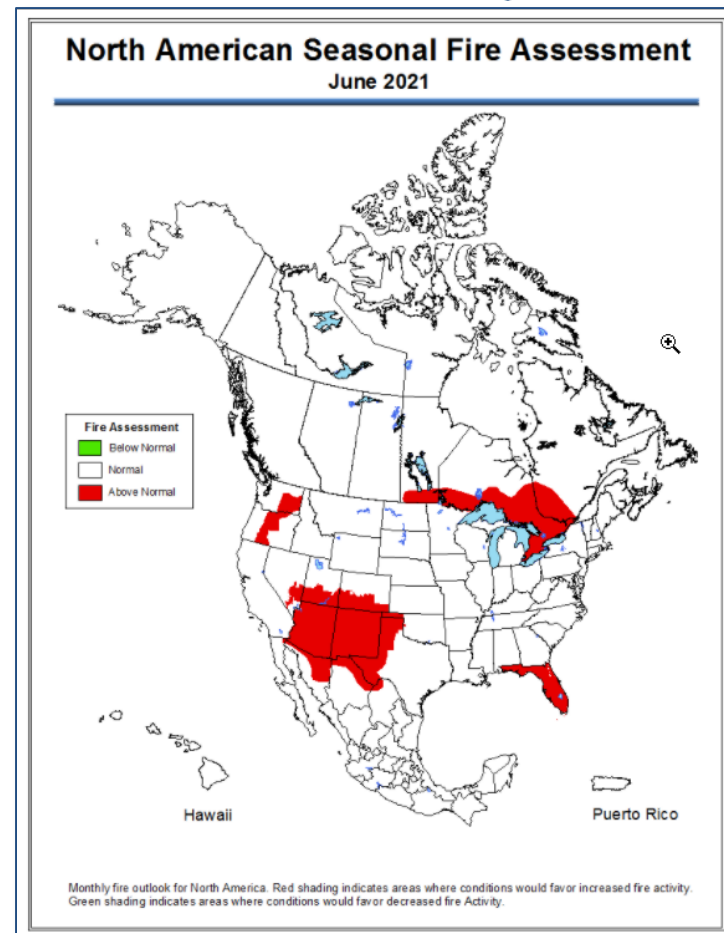
- Above-normal demand or outages result in energy emergencies

- Anticipated Reserve Margins meet reference levels in all areas



## Summer 2020 to Summer 2021 Anticipated Reserve Margins Year-to-Year Change

- North American fire agencies project above-normal risk for wildfires in U.S. Southwest and parts of Canada in early Summer
  - Expect above-normal risk in California and U.S. west coast in late summer
- Operation of the BPS can be impacted in areas where risk of wildfire ignition is present or where wildfires are active



**Source: National Interagency Fire Center**

- To address Summer 2021 electric reliability challenges:
  - Load-serving entities (LSE), regulators, and Reliability Coordinators (RC) ensure lines of communication are open for periods of system stress
  - System operators conduct drills on alert programs to ensure they are prepared to signal need for conservative operations
  - LSE prepare for demand-side conservation measures and condition customers to their need and efficacy
  - Operators maintain vigilance during peak risk hours and forecasted high-demand periods
  - LSE review non-firm customer inventories and rolling blackout procedures to ensure natural gas and other critical infrastructure loads are not affected
- Regulators, policymakers, and system planners should review findings in NERC's *Long-Term Reliability Assessments* and factor them into resource and system plans



# Questions and Answers



**NARUC**

National Association of Regulatory Utility Commissioners

# U.S. DOE-NARUC Natural Gas Partnership

Year 1 Report and Year 2 Work Plan

Gas Committee | June 14, 2021



# Agenda

1. Welcome from Commissioner Diane X. Burman, Chair, Natural Gas Partnership
2. Overview of NGP
3. Major outputs from Year 1 (July 2020 – June 2021)
4. Work plan for Year 2 (July 2021 – June 2022)
5. Opportunities for NARUC member participation



# Welcome

Hon. Diane X. Burman, New York State Public Service Commission  
Chair, Natural Gas Partnership



# NGP Overview

The NGP was [initiated](#) in July 2020 as a follow-on to the Natural Gas Infrastructure Modernization Partnership (NGIMP), active from 2016 – 2020

NGP is a five-year cooperative agreement with DOE Fossil Energy

Purpose: “NARUC will provide opportunities for state public service commissioners and commission staff to better understand regulatory issues and opportunities related to natural gas and its use as a fuel for both electricity generation and thermal load...educate and inform state commissioners and staff on improving the operations and efficiency of existing gas infrastructure”

Resources posted on NARUC’s [website](#)



# NGP Membership

Hon. Diane X. Burman, Chair

Hon. Jay Balasbas, Washington

Hon. Maida Coleman, Missouri

Hon. Gladys Brown Dutrieuille, Pennsylvania

Hon. Julie Fedorchak, North Dakota

Hon. D. Ethan Kimbrel, Illinois

Hon. Thad LeVar, Utah

Hon. Odogwu Obi Linton, Maryland

Hon. Talina Mathews, Kentucky

Hon. Kim O'Guinn, Arkansas

Hon. Brandon Presley, Mississippi

Hon. Tricia Pridemore, Georgia

Hon. Katie Sieben, Minnesota

Hon. Dianne Solomon, New Jersey

Andreas Thanos, Massachusetts



# NGP Overview

**Task 1: Site Visits:** Dialogues at DOE or National Lab facilities, natural gas electric generation facilities, or advanced natural gas R&D sites

**Task 2: Resource Development:** Educational programs and resources to share relevant information with state energy regulators through webinars, peer-sharing calls, briefing papers, and related materials

**Task 3: Partnership Expansion:** Commission participation in NARUC, DOE, National Lab, or related natural gas forums, workshops, and R&D collaboratives addressing key policy issues around natural gas use and advanced technologies



# Year 1 Outputs

Support to Gas Committee monthly meetings

Sessions at NARUC summer meeting 2020, annual meeting 2020, and winter meeting 2021

Primer on artificial intelligence for natural gas utilities, fall 2020

Postponed to Year 2:

- Site visit

- Partnership expansion and participation in DOE-sponsored or DOE-approved events



# Year 2 Work Plan

Site visit: winter 2021 or spring 2022 pending resumption of in-person travel

Committee on Gas monthly meetings

Briefing paper: renewable natural gas tariffs and facilitating regulatory pathways

Continue recruiting NGP members representative of NARUC's diverse membership

Support member participation in DOE/National Lab events

Facilitate sessions at NARUC summer policy summit 2021, annual meeting 2021, and winter policy summit 2022





# Member Participation Opportunities

Suggest ideas for a site visit in your state

Co-author or review the RNG briefing paper

Moderate or assist in planning a Gas Committee meeting

Propose and/or moderate a Gas Committee panel at a future NARUC meeting

Attend an event on behalf of the NGP



Thank you for your support of NARUC's partnership with DOE

NARUC staff support for the Gas Committee and NGP:

Kiera Zitelman, Senior Manager, NARUC Center for Partnerships & Innovation:

[kzitelman@naruc.org](mailto:kzitelman@naruc.org)

Will McCurry, Senior Program Officer, NARUC Center for Partnerships & Innovation:

[wmccurry@naruc.org](mailto:wmccurry@naruc.org)



# SUMMER POLICY SUMMIT: GAS COMMITTEE SESSIONS



## **1. Business Meeting**

Monday, July 19 1:00 – 1:45 pm MT

## **2. Innovations in Natural Gas Decarbonization**

Monday, July 19 2:15 – 3:00 pm MT

Joint with the Committee on Energy Resources and the Environment

Moderators: Commissioner Solomon and Commissioner Huebner

## **3. Envisioning the Future of Natural Gas Utilities**

Tuesday, July 20 1:00 – 1:45 pm MT

Moderators: Commissioner Pridemore and Commissioner Thompson

## **4. From Therms to Watts: Gas-Electric Coordination, Electrification, and Extreme Weather**

Tuesday, July 20 2:15 – 3:00 pm MT

Joint with the Committee on Electricity

Moderators: Commission Gilman and Commissioner Peretick



# MONTHLY REPORTS FROM THE STATES

Wyoming Public Service Commission  
Missouri Public Service Commission  
North Carolina Utilities Commission  
Committee Membership

# Gas Update from North Carolina

1. Current Rate Cases
  - ❖ Piedmont (Docket No. G-9, Sub 781)
  - ❖ Public Service Company of North Carolina (Docket No. G-5, Sub 632)
2. Frontier Merger (Docket No. G-40, Sub 160)
3. Renewable Natural Gas –Biogas
4. Annual Review Gas Costs and routine filings including the Margin Decoupling Tracker / Customer Utilization Tracker and Integrity Management Reports
5. The primary interstate pipeline that serves NC is Transco. Also, we receive gas from Columbia and East Tennessee.



# OTHER BUSINESS



# THANK YOU

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NARUC STAFF SUPPORT:  
KZITELMAN@NARUC.ORG



[HTTPS://WWW.NARUC.ORG/CPI-1/ENERGY-  
INFRASTRUCTURE-MODERNIZATION/NATURAL-  
GAS-INFRASTRUCTURE-MODERNIZATION/](https://www.naruc.org/cpi-1/energy-infrastructure-modernization/natural-gas-infrastructure-modernization/)