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
2021 Summer Reliability Assessment
Presentation to NARUC Committee on Gas

Jim Robb, President and CEO
Mark Olson, Manager, Reliability Assessment
June 14, 2021
• 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
• 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

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
MISO Assessment – Elevated Risk

- 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

- 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

• Above-normal demand or outages result in energy emergencies

CAMX Highest Risk Hour Scenario – Hour Ending 7 p.m. Pacific Time
• Anticipated Reserve Margins meet reference levels in all areas

CAMX ARM includes over 2 GW of generation being added by August 2021

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
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

Will McCurry, Senior Program Officer, NARUC Center for Partnerships & Innovation: wmccurry@naruc.org
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

NARUC STAFF SUPPORT:
KZITELMAN@NARUC.ORG

HTTPS://WWW.NARUC.ORG/CPI-1/ENERGY-INFRASTRUCTURE-MODERNIZATION/NATURAL-GAS-INFRASTRUCTURE-MODERNIZATION/