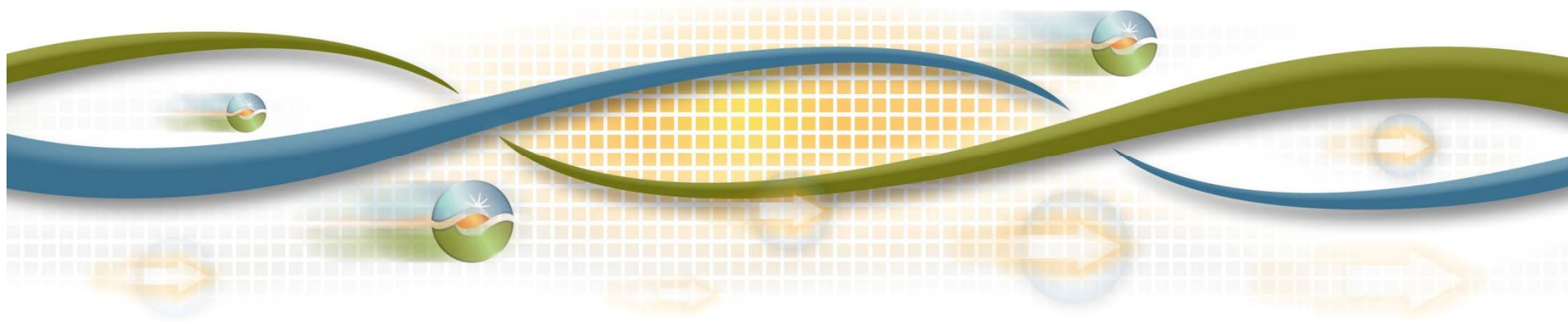


Gas and Electric Coordination - An Overview

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History

- February 2011 cold weather event
- February 2012, FERC issues notice soliciting comments on aspects of gas/electric coordination
- 79 entities responded
- Issues varied by region

FERC Priority

“This is one of the more pressing issues in our country. “

Commissioner Moeller, testifying before U.S. House Subcommittee on Energy and Power, Mar. 19, 2013, referring to the convergence of the natural gas and electric industries.

FERC has devoted enormous staff resources to try to deal with the issue:

- 5 regional technical conferences in Aug. 2012
- Feb. 13, 2013 tech conf. in D.C. (Information sharing, especially in emergency situations)
- Apr. 25, 2013 technical conference in D.C. (scheduling)
- Staff quarterly reports on regional gas-electric coordination activities : 1st report Mar. 21, 2013
- May 16 & 17, 2013 RTO/ISO hearings

West Priority

- Western Interstate Energy Board (WIEB)
- Working group created to assess infrastructure
- CEC/CPUC involved, along with CA businesses

California Focus

- In general, CA is well ahead of the country

CAISO -

- Shares information pursuant to non-disclosure agreements
- Sends daily estimated gas burn profiles to pipeline companies
- Quarterly meetings to discuss outage impacts

FERC Observations

- Per the FERC staff report on Gas-Electric Coordination dated November 12, 2012:

“Industry participants at multiple technical conferences expressed a desire for inter-industry communication of the sort currently engaged in by CAISO...”

“The CAISO tariff provisions and non-disclosure agreement serve as an example to other electric transmission operators seeking to implement communication protocols with natural gas pipelines.”

Final Observations

- Ongoing process
- Focus is on future system changes