

Background for the Western Gas-Electric Regional Assessment Task Force Collaborations: Some Regional Efforts Underway in the West

Prepared by WIEB Staff

Northwest:

The Northwest Mutual Assistance Agreement (NMAA) was put in place in March 1999. It defines terms for cooperation in an emergency, encourages communication, and establishes an Emergency Planning Committee. Each signatory to the Agreement is an entity that utilizes, operates or controls natural gas transportation and/or storage facilities in the Pacific Northwest (British Columbia, Alberta, Washington, Oregon, Nevada, and Idaho). Members share emergency contact information and participate in planning meetings and emergency exercises. The Emergency Planning Committee meets twice a year and is working on region-wide emergency protocols.¹

The Northwest Power and Natural Gas Planning Task Force was formally established in April 2012 under the auspices of Pacific Northwest Utilities Conference Committee (PNUCC) the Northwest Gas Association (NWGA). They meet every two months to assess the growing interdependence of natural gas and electric generation. In addition to publishing a number of reports, work underway includes: a demand/supply assessment of the I-5 Corridor; and an I-5 transmission analysis (led by ColumbiaGrid).²

Northwest Power and Conservation Council (NWPCC) Regional Power Plans. The NWPCC prepares a 20 year electric power plan for the NW region (the states of Washington, Oregon and Idaho and the western part of Montana) every five years. The Sixth Power Plan was released in February 2010.³ The Seventh Power Plan will span 2015-2035; a number of topics recommended for the plan relate to natural gas.⁴ The plan must meet the electrical needs of the region at the lowest possible cost and give highest priority to cost-effective conservation, renewable sources of energy must be given next-highest priority, to the extent that they are cost-effective, ranking ahead of conventional thermal generating resources.

¹ *The Role of Natural Gas in the Northwest's Electric Power Supply*, Bonneville Power Administration, 14 (August 2012) available at <http://www.pnucc.org/sites/default/files/BPA%20Power-Natural%20Gas%20Whitepaper%208-24-12.pdf>; copies of the NMAA are available from Kevin Sullivan, Western Energy Institute: (971) 255-4734 or online at: <http://www.westgov.org/wieb/meetings/crepcfall2012/10-12agen.htm> (scroll down to Gas-Electric Panel, October 4, 2012 at 9:50 a.m.)

² Power & Natural Gas Planning Task Force, Priority Projects October 2012 Update, Materials from October 12, 2012 Task Force Meeting (Attachment E). More information is available at the Task Force website: <http://www.pnucc.org/system-planning/power-natural-gas-taskforce>.

³ The plan serves as a guide for the Bonneville Power Authority and is also provided as a guide to the other electric utilities in the region. *The Sixth Northwest Power Plan*, NWPCC (Feb. 2010), available at: <http://www.nwcouncil.org/energy/powerplan/6/default.htm>.

⁴ See e.g., PNUCC Report on NWPCC August 7-8, 2012 Meeting (September 26, 2012), available at: <http://www.pnucc.org/sites/default/files/Aug%202012%20Report%20CM.pdf>

California:

The California ISO Procedures for Gas Derates and Outages are detailed procedures for the roles, communications and actions related to natural gas transmission reductions or curtailments and impacts to the electric system in real time, two days advance notice, and more than 2 day time frames.⁵

California Public Utilities Commission's (CPUC) Pipeline Risk Assessment. The CPUC formed the Risk Assessment Unit (RAU) within the Consumer Protection and Safety Division (CPSD) to improve the CPUC's ability to prevent high-profile accidents and incidents by developing a system of risk identification, risk analysis, and risk management. The RAU's first priority has been on gas pipeline safety. They have developed a Natural Gas System Hazard Database with 100 potential hazards. By March 14, 2012, they had identified 17 potential hazards that impact public safety for which they recommend current and continued CPUC attention.⁶

California Energy Commission (CEC): The CEC prepares a biennial integrated energy policy report (IEPR) that contains an assessment of major energy trends and issues facing the state's electricity, natural gas, and transportation fuel sectors. In the year following publication of the biennial IEPR, the Energy Commission publishes an energy policy review that provides updated information on topics raised in the biennial IEPR.⁷ Preparation of the IEPR involves close collaboration with federal, state, and local agencies and a wide variety of stakeholders in an extensive public process to identify critical energy issues and develop strategies to address those issues.

Western Interconnection:

The WECC conference to coordinate procedures for the communications and notifications required by FERC Order 587-V.⁸ FERC Order 587-V, incorporating NAESB Gas-Electric Communication Standards, became effective August 27, 2012. The Order requires natural gas pipelines to comply with the Standards on December 1, 2012 after filing tariff records that reflect the new standards by October 1, 2012. The Standards ensure that pipelines have relevant planning information to assist in maintaining the operational integrity and reliability of pipeline

⁵ Gas Transmission Pipeline Derates or Outages, Procedure No. 4120, effective August 27, 2012, available at: <http://www.westgov.org/wieb/meetings/crepfall2012/10-12agen.htm> (scroll down to Gas-Electric Panel, October 4, 2012 at 9:50 a.m.)

⁶ See *Hazard Database Project Report on Status and Initial Recommendations*, CPUC Risk Assessment Unit, March 14, 2012, available at: <http://www.cpuc.ca.gov/NR/rdonlyres/381B6603-37A4-48C0-A1B7-D4A56928F6CC/0/RiskAssessmentMarch2012ReportFINAL.pdf>.

⁷ The Draft 2012 Integrated Policy Report Update, issued on October 25, 2012, is available at: <http://www.energy.ca.gov/2012publications/CEC-100-2012-001/CEC-100-2012-001-LCD.pdf>. In addition the CEC has conducted/commissioned a number of gas-electric interdependency studies. See e.g., *The Value of Natural Gas Storage and the Impact of Renewable Generation on California's Natural Gas Infrastructure*, ICF International, prepared for California Energy Commission (2009), available at: <http://uc-ciee.org/downloads/CNGStorage.Brock.pdf>.

⁸ For more information go to: <http://www.wecc.biz/committees/StandingCommittees/20121112/default.aspx?InstanceID=1>.

service and to provide gas-fired power plant operators with information as to whether hourly flow deviations can be honored. The standards will enhance the clarity of the content and format of critical, non-critical, and planned service outage notices issued by pipelines. Fifteen additional notice types for planned service outages have been added (from 12 to 27) so that public utilities may more easily identify relevant pipelines system conditions. Also the parties to whom pipelines are required to provide operational flow orders and other critical notices have changed; under the Order pipelines are required to provide notification to Balancing Authorities and/or Reliability Coordinators, and Power Plant Gas Coordinators.⁹

“Cross Industries Communications: Collaborating to Improve Emergency Response” is a two day training developed by Kevin Johnson, Kinder-Morgan Pipeline (formerly El Paso Corporation) for utilities with gas operations. This training has been provided for every utility in the Desert SW Utility Conference Committee and the Rocky Mountain Utility Conference Committee. He has also provided an abbreviated presentation to the NW Task Force and has been asked to present at the California ISO.

⁹ Order No. 587-V , 140 FERC ¶ 61,036, 18 CFR Part 284, *Standards for Business Practices of Interstate Natural Gas Pipelines* (Issued July 19, 2012) Docket No. RM96-1-037, available at : <http://www.ferc.gov/whats-new/comm-meet/2012/071912/G-1.pdf> .