



To: NAESB Board of Directors
From: The Natural Gas Supply Association
Date: May 27, 2016
Re: Comments and Recommendation on Gas-Electric Harmonization Forum to Address
FERC Directive in Order 809

The Natural Gas Supply Association (NGSA)¹ appreciates the opportunity to share our perspective on the continued effort of the NAESB Gas-Electric Harmonization (GEH) Forum to address Federal Energy Regulatory Commission's directive to explore faster computerized pipeline scheduling. NGSA requests the NAESB Board consider the comments below, as well as NGSA's comments submitted for the April 7, 2016 NAESB Board meeting,² in its review of the finalized GEH Forum work papers and discussion of a response to FERC by the October 17, 2016 deadline.

As an active participant in all of the 2016 GEH Forum meetings, NGSA found the engagement with other industry stakeholders productive and believes there is merit in aspects of some of the potential solutions presented. However, we do not believe that any proposals have

¹ NGSA is a trade association that represents integrated and independent companies that produce and market domestic natural gas. Established in 1965, NGSA encourages the use of natural gas within a balanced national energy policy, and promotes the benefits of competitive markets in order to ensure the reliable and efficient supply of natural gas to customers, including gas-fired generators.

² See *NGSA Comments on the Gas-Electric Harmonization Forum Meetings to Address the Directive in FERC Order 809* (April 6, 2016), available here: https://www.naesb.org/pdf4/geh032416_ngsa_comments.pdf

been identified to date that would readily lend themselves to standards development. For that reason, NGSAs makes the following recommendations to the NAESB Board:

- 1) Take no further action at this time.**
- 2) Consider revisiting this discussion once there has been sufficient experience under the new nomination timeline and/or when industry standards requests are made to NAESB to explore faster computerized scheduling.**

It is apparent from the last few GEH Forum meetings and industry comments that the overall record does not support a recommendation to develop standards in the current environment. We do not see a significant interest from either the gas or electric industries to develop standards at this time, and we struggle with the lack of substance available in the proposals to attempt creating standards. Additionally, given the limited role the NAESB Board of Directors gave to the GEH Forum, NGSAs believes the GEH has fully explored the options presented and that no further actions are warranted. Out of the 43 issues identified in the survey that was sent out to all GEH Forum participants and NAESB members, only four issues received over 50 percent support from both the WGQ and WEQ and were labeled as “actionable by NAESB.” Even with respect to those four, there is concern over supporting a recommendation without conducting a cost/benefit analysis of implementing the potential solutions.

Giving the industry time to fully effectuate and assess the most recent changes to the nomination timeline will give stakeholders a better understanding of what benefits, if any, can be gained from making additional changes. Should NAESB consider initiating a follow-up review of the identified issues at a later time, NGSAs requests this be done after there has been sufficient experience under the new nomination timeline and after NAESB receives specific requests by industry for additional improvements in faster computerized pipeline scheduling. Additionally,

more time will give the industry an opportunity to develop market solutions or develop tailored pipeline services that assist gas-fired generators needs.

Multiple requests for standards development to NAESB that are within the scope of FERC's directive could signal that NAESB should revisit the feasibility of developing standards designed to support faster computerized scheduling. Since industry participants have the ability to submit standards requests to NAESB outside of the GEH Forum, receiving an increased number of requests in this area would be a reliable indication of renewed industry interest in new standards development. Moreover, in an attempt to justify a proposed standard, a stakeholder making an individual standards request outside the GEH Forum would likely submit substantive details about its need for such a standard. Such detailed requests would result in a more effective and timely process that cannot be replicated in a generic broad discussion such as the GEH Forum discussions.

Given the overall record from the GEH Forum, NGSA recommends the NAESB Board take no action for standards development now and consider a review of the issues later, after there has been sufficient experience under the new nomination timeline and/or receipt of individual requests for standards within the scope of FERC's directive.

Respectfully submitted,

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