

# GAS ELECTRIC RELIABILITY FOR AMERICA

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## A CALL TO ACTION

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### PREFACE

#### *A Sense of Urgency*

As electricity demand has grown, so has our dependency on natural gas for power generation. In 1987, the Fuel Use Act, which had prohibited natural gas from being used for power generation, was repealed by Congress. At that time, gas use stood at 16 percent nationwide. Today, that number has grown to 43 percent, making grid reliability enormously dependent upon gas reliability. In fact, both sectors are interdependent economically and operationally since electric power makes up almost 40 percent of the market for domestically produced US natural gas, and natural gas requires reliable electricity to produce and deliver natural gas to its customers.

Driven by clean energy, resource development and climate imperatives, our country's power generation fleet and resource mix are currently undergoing massive change, seeing increased penetration of renewables and distributed generation. Even so, our use of natural gas will continue as demand varies to accommodate variations in load and generation that will be seasonal, monthly, daily, and even hourly. Gas will play a critical role to ensure electric-system reliability with these other energy resources.

The country's success in advancing the decarbonization of the grid has elevated the role that natural gas plays in ensuring the reliability of the grid. However, this increasing prominence has revealed that the legacy structures and practices that previously allowed the gas and power sectors to serve reliably the common good are now seriously lacking. Concomitant with this growth in dependency, actions to improve coordination between the natural gas and electric power sectors have not kept apace. As a consequence, since 2011, three out of five major regional power outages were largely attributable to the inability to access sufficient, timely gas supplies to meet critical demands during winters. In 2021, one of these outages during Winter Storm Uri resulted in a catastrophic loss of life and property. The following year, during Winter Storm Elliott, saw another significant regional outage caused in part by the failure to access sufficient, timely gas supplies.

Prompted largely by data center proliferation and re-onshoring of manufacturing, current forecasts call for a dramatic escalation in electricity demand in some parts of the country. In certain parts, that heightened demand will be met by a combination of

renewable resources and other non-carbon-emitting generation along with additional natural gas capacity to ensure grid reliability. As our gas/electric interdependency continues to grow, so do the risks and consequences of failure.

## **THE NAESB GAS-ELECTRIC HARMONIZATION (GEH) FORUM REPORT: ONE YEAR LATER**

Following Winter Storm Uri, in July 2022, the Chair of the Federal Energy Regulatory Commission (FERC) and the President of the North American Electric Reliability Corporation (NERC) requested that the North American Energy Standards Board (NAESB) convene a Gas-Electric Harmonization Forum to address questions raised by the Uri outage, and to propose solutions. After a full year of monthly meetings, on July 28 – approximately one year ago – a report was delivered to FERC and NERC. That report recommended 20 actions by various stakeholders, and identified the degree of support, or lack thereof, by the different subsectors of the natural gas and electric industry for each recommendation.

Since then, actions have been undertaken on different fronts by others.<sup>1</sup> Additionally, at the request of FERC, NAESB has initiated, consistent with one of the Forum Report’s recommendations, a standards-setting process to bolster: communication protocols to provide notice of weather conditions that could impact upstream natural gas production, processing, and gathering; enhanced granularity of locational information provided in critical notices; and centralized posting of gas-electric coordination information by interstate pipelines.

However, because each of these actions has been the responsibility of separate, independent organizations, no one entity is responsible for gathering information on steps taken, and assessing or evaluating progress holistically. As a consequence, policymakers – and the public – have no centralized means of easily tracking or becoming aware and assessing whether these cumulative measures are significant or sufficient. Consequently, we have a fragmented process of determining whether grid reliability is improved at the intersecting points of these sectors. The risk of another failure from insufficient coordination between the gas and electric sectors during a future event is too great to be left in this state.

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<sup>1</sup> In October 2023, the Natural Gas & Power Industries’ Reliability Alliance submitted to FERC a white paper entitled “Exploring Real-Life Challenges with Ensuring Natural Gas Availability for Power and Joint Industry Suggested Mitigation Strategies”. In November 2023, the National Association of Regulatory Utility Commissioners (NARUC) announced creation of a Gas Electric Alignment for Reliability (or GEAR) Task Force comprised of regulators and industry members to review NAESB’S 20 recommendations as well as the Alliance’s and determine how best to address the issues raised. In February of this year, four Regional Transmission Organizations (RTOs) issued a white paper entitled “Strategies for Enhanced Gas-Electric Coordination: A Blueprint for National Progress” containing a set of recommendations.

To achieve the most expeditious, tangible improvements across both sectors, we urge a voluntary, collaborative and accelerated approach rather than await enactment of a mandate requiring coordination between these two interdependent industries. The next winter is upon us, and our failure to act now places us at risk.

### **STATEMENT OF PURPOSE AND CALL TO ACTION OF THIS INITIATIVE**

Based on the foregoing, the undersigned have formed **Gas Electric Reliability for America (GERA)** to promote voluntary actions by both the natural gas and electric sectors whose purpose would be the following:

- Urge the sectors to work together with a sense of urgency and bias to action.
- Serve as an objective and impartial repository of information on current GEH developments.
- Advocate in public for timely actions improving coordination of the industries through testimony, speeches, and opinions expressed through news media outlets.
- Serve as an independent sounding board for inquiries from public officials and news media.

GERA's first task will be to determine the degree of progress achieved, or shortcomings experienced, in meeting the 20 objectives recommended by the [NAESB GEH Forum Report](#) at the time of this one-year anniversary.

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