

Interregional Gas/Electric Study Status Update

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Overview

- ◆ **Previous Gas/Electric Studies**

- ◆ **Current Interregional Initiative**
 - *Study Participants*
 - *Study Region*
 - *Statement of Need*
 - *National Context*
 - *Primary Objectives*

- ◆ **Current Status**

Previous Gas/Electric Studies

- ◆ Northeast ISO/RTOs have performed previous gas/electric coordination studies on both a regional and inter-regional basis
- ◆ Last interregional study was in 2003
 - *NYISO, Ontario, ISO-NE, PJM and NERC*
- ◆ More recently separate regional studies have been conducted
 - *NYISO – 2009*
 - *ISO-NE – 2011 Study; 2012 White Paper*
 - *PJM - 2005*

Study Participants

- ◆ Study participants are:
 - *ISO-New England*
 - *Midwest ISO*
 - *New York Independent System Operator*
 - *Ontario's Independent Electricity System Operator*
 - *PJM Interconnection*
 - *TVA*

Study Region

- The Study Region shall consist of:
 - *The ISO-New England, Midwest ISO, New York ISO, Ontario's Independent Electricity System Operator , PJM Interconnection and the TVA Areas, both collectively and individually as appropriate*
 - *Includes analysis of the major pipelines and storage systems, electric systems, and local gas distribution systems (LDCs) serving the Study Region*

Statement of Need

Interdependence of the nation's electric and natural gas industries is an issue that is growing in importance:

- *Significant increased reliance on natural gas as the primary fuel for generating electricity raises concerns for maintaining electric reliability*
- *Future adequacy of the natural gas infrastructure (including the aging of that infrastructure) to meet the coincidental requirements of gas utilities and generators*
- *The abundance of new gas supply is being driven in part by massive discoveries of natural gas in deep shale formations near Northeastern U.S. load centers*

National Context

This study is designed to accomplish:

- *First of its kind operational and planning level joint study reflecting new environmental policies, the impact of shale gas on markets and operations, and escalating dependence on gas-fired electric generation over a broad interregional area*
- **Will provide study participants, as well as federal and state policy makers and regulators with:**
 - *Current and future security and adequacy data for the gas and electric systems*
 - *Insight into key operational, infrastructure and market interdependencies between gas and electric systems*
 - *Insights into the interplay of storage, pipeline and shale gas development, and dual fuel capability on the electric system*
 - *A unique perspective on regional/interregional operational and planning challenges*

Primary Objectives

◆ Phase 1

- **Objective 1:** *Develop a baseline of the electric & gas systems, including their planning & interactions*
- **Objective 2:** *Evaluate the adequacy of the gas pipeline system to supply electric generation needs over a 10-year horizon*

◆ Phase 2

- **Objective 3:** *Review the benefits and costs of dual fuel capability compared with securing firm gas transportation*
- **Objective 4:** *Identify contingencies on the natural gas system that could adversely affect the electric system—and vice versa*

Current Status

- *RFP had been developed and bids were solicited for a smaller Northeast Study Region*
- *MISO and TVA subsequently expressed an interest in participating in the study*
- *Evaluation of proposals for original RFP has been placed on hold*
- *Study scope being expanded to incorporate MISO and TVA areas*
- *Participants are exploring funding sources*
- *Updated RFP anticipated by end of 2012*