##### June 4, 2024

**TO:** All Interested Parties

**FROM:** Caroline Trum, Director, Wholesale Electric Quadrant

**RE: WEQ/RMQ/WGQ Gas-Electric Coordination**

The WEQ, WGQ, and RMQ Business Practices Subcommittees (BPS) continue to meet to consider the development of business practice standards intended to improve gas-electric market coordination communications during critical events. As part of an informal comment period to support standards development, the Joint BPS Chairs have requested responses to questions formulated through a gap analysis of communications between various market participants leading up to and during cold weather events, with a focus on circumstances that might result in a party invoking force majeure. The questions relate to the six industry-identified communication gaps included in the Joint BPS Chairs Scenario Based Communication Gap Analysis Work Paper. Based on participant recommendations, the Joint BPS Chairs worked with parties representing a number of different companies from across the natural gas and electric industries, including natural gas producers, ISOs/RTOs, natural gas pipelines, natural gas-fired generators, and local distribution companies, outside of the meetings, to gather relevant information and create the work paper.

The Joint BPS Chairs Scenario Based Communication Gap Analysis Work Paper identifies six areas: (1) lack of communication during extreme weather events of upstream supply issues, including invocations of force majeure, by parties with direct knowledge to critical stakeholders that are not part of the transactional and operational chain; (2) timely communications to all stakeholders regarding critical events impacting natural gas supply; (3) the inclusion of specific location information as part of informational postings by interstate pipelines; (4) timely communications to stakeholders regarding recovery timelines and expectations when natural gas supply is lost due to weather and/or operational disruptions; (5) timely communications of natural gas consumption that deviates from contractual commitments; and (6) improved understanding of pipeline-initiated confirmation and/or nominations reductions not captured by operational flow orders and/or underperformance notices. As part of the comment period, parties have also been asked to provide any specific proposals in these areas, including draft standards language. The comment period ends on Friday, June 7, 2024. The Joint BPS has scheduled a meeting for Friday, June 14, 2024 from 10:00 AM – 12:00 PM Central to review and discuss the responses.

Assigned by the NAESB Board of Directors, the 2024 WEQ, WGQ, and RMQ Annual Plans include a joint assignment to consider and develop modifications to the NAESB Gas/Electric Coordination Business Practice Standards and any corresponding standards that could improve communication among gas and electric market participants during extreme weather events and enhance situational awareness. This includes business practice standards related to the communication, during extreme cold weather events, of information regarding operational issues in anticipation of critical notices, operational flow orders or force majeure notices, and aggregated volume data or confirmed scheduled quantities for key upstream receipt points on the pipeline system. The annual plan items were created in response to a recommendation by FERC and NERC in the FERC, NERC, and Regional Entity Staff Report: Inquiry into Bulk-Power System Operations During December 2022 Winter Storm Elliott. The recommendation asked NAESB to convene natural gas infrastructure entities, electric grid operators, and LDCs to identify improvements in communication during extreme cold weather events to enhance situational awareness.