



Gas Electric Senior Task Force Report
PJM Interconnection – Members Committee
Information Webinar
April 21, 2014

The [Gas-Electric Senior Task Force \(GESTF\)](#) met on March 31st.

The March 31st meeting focused on three main areas:

1. Avoidable Cost Rate - ACR

An educational session on Avoidable Cost Rate (ACR) was held. The discussion was on the current ability for reflecting costs in both the PJM Capacity and PJM Energy market.

The discussion also focused on the extent that firm transportation requires new pipeline investment that it might be possible that it could be included as an Avoidable Project Investment Recovery Rate (APIR) as it could improve availability. Stakeholders asserted the notion that if FT or dual fuel capability investment is possible and if it fits naturally into APRI that it would be beneficial to get both PJM & Independent Market Monitor to agree on a design of such an idea.

2. Out of Management Control - OMC

This was an educational session on Out of Management Control (OMC) for generator outages. The presentation intended to clearly what is and what isn't considered an OMC outage.

3. FERC - NOPR

PJM, summarized and discussed the recent FERC Notice of Proposed Rulemaking on gas/electric coordination.

For M-1 (gas day and scheduling changes) the following has been proposed by FERC:

- Gas Operating Day moved from 10AM to 5AM (ECT)
- Timely Nomination close moved from 12:30PM to 2PM
- Intraday Nomination Cycles increased from 2 to 4
- Multi-party service agreements on all interstate pipelines
- 6 months for alternative NAESB consensus standards
- Comments due in 8 months (November 2014)

For M-2 (ISO/RTO Market Correlation) the following has been proposed by FERC:

- ISO/RTO scheduling must correlate with revisions to natural gas scheduling in M-1



- Sufficiently in advance of the gas industry's Timely and Evening Nomination Cycles
- ISO/RTO must file 90 days after M-1 final rule
 - Change day-ahead market timing, or
 - Show cause why existing scheduling practices need not be changed
- FERC to issue final order within 90 days of filing

For M-3 (Posting of Capacity Release Offers) the following has been proposed by FERC:

- Interstate pipelines must post buy/sell offers for released capacity
- NAESB develop business practice and communication standards
 - Information required for requests to acquire capacity
 - Methods by which such information is to be exchanged
 - Location of the information on a pipeline's website

4. Interest Identification/Matrix Development

The meeting agenda concluded with continued interest identification on the following questions:

1. What should be done to PJM market rules, if anything, to fully reflect the costs of firm gas transportation to allow generators to evaluate the trade-offs between firm transportation and dual fuel capability to enhance or ensure generator availability?
2. What changes can be made to the timing of PJM Day-Ahead market clearing to allow generators to know their commitments prior to the submission of timely gas nominations?
3. What should be done to PJM market rules, if anything, to allow changes to energy market offers to reflect fuel supply and price changes between day-ahead commitments and real-time operation and align these with intra-day nomination schedules?
4. What changes need to be made, if any, to improve the information sharing between gas pipelines operators and PJM system operations?

Next meeting:

- April 30, 2014

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