



# Critical Natural Gas Infrastructure as DR in the PJM markets

MC

December 21, 2022

- Feb. 2021 cold weather event in Texas and South Central U.S.
- NERC/FERC report published on 11/16/21
  - <https://www.ferc.gov/media/february-2021-cold-weather-outages-texas-and-south-central-united-states-ferc-nerc-and>
- Key Recommendation 1h: To require Balancing Authorities' operating plans (for contingency reserves and to mitigate capacity and energy emergencies) to prohibit use for demand response of critical natural gas infrastructure loads. (Winter 2023-2PJM initiated Problem Statement and Issue Charged to proactively address issue prior to NERC standards
  - Discussion at DRS started in April '21
- Critical Natural Gas Infrastructure loads participation in PJM markets may be impacted (starting winter 2023/24)

PJM initiated [problem statement](#) to proactively address issue while NERC creates new standard

- DRS developed consensus proposal which included PJM input
  - Manual changes (endorsed at 10/6 MIC) – prohibit participation of critical natural gas infrastructure loads as DR/PRD
  - Governing Documents – definition of critical natural gas infrastructure and corresponding provisions to the manual changes.
    - MIC provided feedback on the definition
- November - Seek endorsement of manual and governing document changes at the MRC
- December – Seek endorsement of governing document changes at the MC
- January '23 - File Governing Document revisions with FERC
- Anticipate FERC approval by early March, in time for (2023/2024 3IA)

Consensus approval at the MRC

- Prohibit participation of critical natural gas loads as a DR/PRD resource
- “Critical Natural Gas Infrastructure” shall mean locations with electrical loads that are involved in natural gas production, processing, intrastate and interstate transmission and distribution pipeline facility as defined by NERC/FERC standard(s); and until such NERC/FERC standard(s) is developed, is defined as electric loads that are involved in natural gas production, processing, intrastate and interstate transmission and distribution pipeline facility, which if curtailed, will impact the delivery of natural gas to bulk-power system natural gas-fired generation.
- CSPs with reliance on this type of load may use the 3<sup>rd</sup> IA to adjust their position.

- OATT & OA
  - Definitions
  - Attachment K, Appendix Section 8.2 (and parallel provisions of OA, Schedule 1, section 8.2) - Participant Qualifications
  - Attachment K, Appendix Section 1.5A (and parallel provisions of OA, Schedule 1, section 1.5A) – Economic DR Participation
- OATT, RAA & OA
  - Tariff, Attachment DD-1 (and parallel provisions of RAA, Schedule 6) – Officer Certification and unrelated MOPR cleanup item in same document that we are revising
  - RAA, Schedule 6.1 – PRD shall not include CNGI
- Manual 11
  - Section 10.2.2 – registrations shall not include CNGI
- Manual 18
  - Attachment C – DR Sell Offer Plan shall not include CNGI
  - Section 3A.3 – PRD shall not include CNGI

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## Critical Natural Gas Infrastructure



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