



## **FERC Revises Gas Nomination Regulations, Leaves Gas Day Unchanged**

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The NOPR called on the North American Energy Standards Board (NAESB) to work with the gas and electric industries to develop standards in response to the proposals in the NOPR. Working with industry participants, NAESB modified its Wholesale Gas Quadrant (WGQ) business practice standards to move the start of the Timely Nomination Cycle from 11:30 a.m. CCT to 1 p.m. CCT and to establish three intraday nomination cycles. However, NAESB was unable to reach a consensus regarding the start of the Gas Day.

In Order No. 809, FERC adopted NAESB's modified business practice standards. Examining the record with regard to a change in the Gas Day, it concluded that a change in the start of the Gas Day might not "provide sufficient benefits to outweigh the operational and safety impacts and costs" of the change, particularly the increased need for nighttime work from pipeline and local distribution company employees. FERC observed that it had requested information about gas generator derates from the Regional Transmission Organizations (RTO) and Independent System Operators (ISO), and that the resulting data provided only limited evidence that the timing of the Gas Day was a primary contributor even to those derates that were connected to fuel issues. Therefore, FERC concluded that the evidence did not warrant ordering a nationwide change in the Gas Day.

In addition to changes in the timing of nominations, FERC also decided that it would require pipelines to offer multiparty firm transportation contracts, as proposed in the NOPR, but that the requirement would become effective only if shippers requested this option. FERC declined to order a blanket waiver of the Shipper-Must-Have-Title rule for the purposes of multiparty contracts, but stated that it would consider such waivers on a case-by-case basis if granting the waiver would be in the public interest. FERC specifically noted that assisting gas-

fired generators in gaining access to firm natural gas transportation service might be such a case.

FERC's decision to leave the Gas Day untouched further suggests that it believes that resolving the coordination issue is a problem for both industries. On the same day that it issued the NOPR, FERC also instituted proceedings under Section 206 of the Federal Power Act to ensure that the RTOs and ISOs institute scheduling practices that mesh with the revised gas nomination schedules. FERC also initiated a proceeding under Section 5 of the Natural Gas Act to determine whether natural gas pipelines were giving proper notice of offers to purchase released capacity. FERC also observed that RTOs and ISOs that have been most affected by gas derates, PJM and ISO-NE, have undertaken independent steps to address generator performance.

## Categories

Energy Regulation, Markets & Enforcement

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