

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

**Communication of Operational
Information Between Natural Gas
Pipelines and Electric Transmission
Operators**

Docket No. RM13-17

**Motion to File Comments One Day Out of Time and Comments of the California
Independent System Operator Corporation**

The California Independent System Operator Corporation (ISO) submits these comments in response to the Commission's notice of proposed rulemaking concerning communication of operational information between natural gas pipelines and electric transmission operators.¹ The ISO supports the Commission's efforts to enhance coordination between the natural gas and electric industries. The Commission's proposed regulations appropriately allow the exchange of operational information for reliability purposes while limiting the disclosure of market sensitive information. The ISO also respectfully submits a motion to file this answer one day out of time.²

I. Background

On July 18, 2013, the Commission adopted a notice of proposed rulemaking (1) to authorize the voluntary exchange of non-public, operational information

¹ *Communication of Operational Information Between Natural Gas Pipelines and Electric Transmission Operators*, 144 FERC ¶ 61,043, Docket RM13-17 (July 2013).

² The ISO submits this motion pursuant to Rule 212 of the Commission's Rules of Practice and Procedure, 18 C.F.R. §§ 385.212. As a result of a technical oversight, the ISO failed to file these comments electronically on August 26, 2013. Good cause exists to grant this motion because the ISO's comments will provide additional information to assist the Commission in the decision-making process, will not unduly prejudice any party, and will not delay the proceeding.

between electric transmission operators and interstate natural gas pipelines; and (2) to adopt a no-conduit rule to prohibit recipients of the non-public, operational information from subsequently disclosing, or being a conduit for subsequently disclosing, that information to any other entity. The proposed no conduit rule prohibits all public utilities and natural gas pipelines, as well as their employees, contractors, consultants, or agents, from disclosing, or using anyone as a conduit for the disclosure of, non-public, operational information they receive under this proposed rule to a third party.

In its notice of proposed rulemaking, the Commission also solicits comments on several issues involving the sharing of operational data between the natural gas and electric industries. These issues include what types of operational data may be shared between electric transmission operators and gas pipeline operators. They also include whether additional regulations are necessary to require a generator to inform its electric transmission operator of the possibility that the generator's natural gas service may be disrupted, as well as, whether electric transmission and gas pipeline operators should include a generator in a three-way communication when the communication involves generator specific information.

II. Comments

A. The ISO supports the Commission's proposed regulations

The ISO supports the proposed regulations. As written, these proposed regulations allow public utilities that own, operate, or control facilities used for the transmission of electric energy in interstate commerce to share non-public, operational information with a pipeline or another public utility covered by the Commission's regulation. The proposed regulations also permit pipelines to share non-public, operational information with a public utility transmission provider or

another pipeline. The regulation's proposed no conduit rule should deter the disclosure by public utility transmission providers of non-public, operational information to a third party or to their marketing function employees.

The ISO has enhanced its coordination activities with gas pipelines over the last several years. Among other activities, the ISO and gas pipeline operators coordinate maintenance outages. We also continue to refine operational practices in order to resolve real time operations issues as they arise. These efforts result in the ISO and gas pipeline sharing non-public, operational data. The Commission has authorized the ISO to share this information subject to applicable nondisclosure and use limitation requirements.³

The proposed regulations are consistent with the ISO's approach. Of importance, the regulations are permissive. They allow entities to share information voluntarily in order to develop best practices to coordinate operational issues as opposed to imposing a compliance program that may only result in minimum information sharing. The information categories identified by the Commission that electric transmission and gas pipeline operators may share underscores the scope of coordination that can occur.⁴ The ISO supports the Commission's proposed approach of identifying a non-exhaustive list of information categories that electric transmission and gas pipeline operators may share as they work to enhance coordination activities.

³ *Cal. Indep. Sys. Operator Corp.*, December 8, 2011 Letter Order Accepting Tariff Revisions to Permit Outage Information Sharing with Natural Gas Pipelines in Docket ER12-278. <http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=12834374>

⁴ Notice of Proposed Rulemaking at P 23.

B. Generators should inform electric transmission operators of possible fuel disruptions

In its notice of proposed rulemaking, the Commission seeks comment on whether additional regulations are needed to require a generator to share necessary information with its electric transmission operator to inform it of the possibility that the generator's natural gas service may be disrupted. The Commission asks whether a generator should be required, at the request of the electric transmission operator, to provide information pertaining to any communications received from a natural gas pipeline regarding potential failures by the generator to conform to flow rates or nominations.

The ISO's tariff currently requires generators to inform the ISO of any change or potential change in the generator's status.⁵ This notification requirement includes any fuel supply concerns of which the generator is aware. Certainly, if a generator has received notice from a pipeline operator that the generator may have its fuel supply disrupted, it is reasonable to require the generator to inform the electric transmission operator of that fact.

The Commission should acknowledge that electric transmission operators may adopt tariff rules to require this information. Alternatively, if the Commission decides to adopt a regulation applicable to generators, it should apply that regulation across all fuel types to the extent practicable.

⁵ ISO tariff section 4.6.1.1. This requirement is consistent with requirement 14 of NERC Reliability Standard TOP-002-2.1b — Normal Operations Planning, which states that generator operators shall, without any intentional time delay, notify their balancing authority and transmission operator of changes in capabilities and characteristics including but not limited to changes in real output capabilities.

C. The Commission should not require sharing non-public, operational data with affected generators by means of a three-way communication

The Commission seeks comment regarding whether the proposed rule should require that, to the extent the non-public, operational information exchanged between electric transmission and gas pipeline operators involves customer-specific information (such as information about individual generators), operators must seek to include the customer as part of a three-way communication. The ISO does not support such a requirement.

If, for example, a transmission outage occurs on the electric system that takes an individual generator out of service, the ISO will employ a market mechanism, if one exists to address, the issue. While the ISO may communicate with a gas pipeline about the real-time transmission outage impacting the affected generator, there may be no operational need to include that affected generator in the communication. If, however, a transmission outage is so severe as to affect a number of generators, the ISO may need to provide notice to a gas pipeline operator in a timeframe that does not permit involving numerous affected generators in the communication. The ISO, accordingly, does not believe the Commission should adopt a rule requiring three-way communication that includes a customer when non-public, operational information exchanged between electric transmission and gas pipeline operators involves customer-specific information. The Commission's proposed no conduit rule will ensure that any customer specific information shared by an electric transmission or gas pipeline operator is not disclosed to other market participants.

III. Conclusion

The ISO supports the Commission's proposed regulations to enable greater information sharing between electric transmission and gas pipeline operators. In addition, whether by adoption of tariff rules or regulation, the ISO believes that generators should inform their electric transmission operators of possible fuel disruptions. The Commission, however, should not require electric transmission and gas pipeline operators to include a generator in their communication of non-public operational data when the communication may involve information about the generator. Such a requirement may not necessarily serve an operational purpose and, in some instances, may be impracticable.

Respectfully submitted,

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Dated: August 27, 2013

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the parties listed on the official service lists in the above-referenced proceedings, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Folsom, California this 27th day of August 2013.

/s/ Anna Pascuzzo
Anna Pascuzzo