



TCPA Discussion of Gas Supply with Railroad Commissioners

Prioritization Tiers for Load Shedding Purposes

BACKGROUND / PROBLEM: Based on discussions with TDUs and cooperatives regarding the limited number of feeders available for load shed, in the absence of clear criteria for prioritization for differentiating among oil and gas loads, the initial wide-scope definition of “critical natural gas” infrastructure has the potential to result in truly critical facilities having service interrupted as frequently as less critical loads.

PROPOSED SOLUTION: The only way to minimize the risk of truly critical natural gas infrastructure having their electric service interrupted is to develop criteria for prioritizing critical load eligibility in the context of load shedding procedures with technical input from the commission as the state’s oil and gas experts, in coordination with industry. Stakeholders have proposed various ideas for how to prioritize through using “Tiers.” TCPA has been assessing the comments filed by both the oil/gas and the electric transmission/distribution sectors, and intends, in the coming days, to file a supplemental comment in the Rule 3.65 docket that attempts to harmonize both proposals and include a suggested set of refinements.

Prioritization of Gas Supplies to Electric Generation as part of Human Needs

BACKGROUND / PROBLEM: On February 12, 2021, the Commission issued an Emergency Order temporarily amending Rule 2 of Docket 489 regarding natural gas utility curtailment priorities. The stated goal was to ensure the protection of human needs customers. Under the Emergency Order, the RRC made first in priority “deliveries of gas by natural gas utilities to residences, hospitals, schools, churches and other human needs customers, and deliveries to Local Distribution Companies which serve human needs customers,” while “[d]eliveries of gas to electric generation facilities which serve human needs customers” are second in priority. Yet, individuals cannot heat their homes without electricity. Power generation is, thus, a key component of meeting human needs.

PROPOSED SOLUTION: The prioritization of electric generation must be included as a component of human needs. TCPA requests that in the Commission’s rulemaking concerning gas utility curtailment priorities, the intent of the February 12, 2021 Emergency Order permanent rather than a temporary emergency measure, modifying it to include electric generation as a component of human needs in the first tier.

This prioritization of electric generation should be consistent across all of the Texas intrastate network. Under Railroad Commission rules, “All gas utilities within the state shall file curtailment programs with the Commission.” 16 TAC §7.305. The requirement to maintain a curtailment program and to file such program with the Commission is not limited to a subset of gas utility pipelines, but applies to all gas utilities within the state, including those pipelines transporting gas for service for compensation, for public use, for sale to municipalities, for sale

to persons distributing or selling natural gas to the public, and for sale or delivery to the public for domestic use. As part of this rulemaking the Commission should review all intrastate gas pipelines under its jurisdiction to ensure that individual curtailment programs are consistent with the priority of deliveries to electric generation facilities in the revised Rule 2.

Background Facts on Winter Storm Uri Gas Supply Challenges¹

(See also the attached *TCPA Roadmap for Gas Reliability in Texas*)

- Prior to Load Shed
 - From February 8 through February 20 - 1,293 unplanned generating unit outage, derate, and failure to start events due to fuel issues.
 - 87% were natural gas fuel supply issues.
 - Natural gas fuel supply issues led to a total of 357 individual natural gas-fired generating units experiencing either an outage, a derate or a failure to start.
 - ERCOT - 185 units
 - SPP - 141 units
 - MISO/MISO South – 31 units
 - 60% of natural gas-fired generating units affected by fuel supply issues had outages, derates, or failures to start by February 14, including 111 generating units in ERCOT.
 - The majority of natural gas production/supply declines in Oklahoma, northern and western Texas occurred before February 15, the first day on which firm load shed occurred, while the majority of the production declines in central, eastern, and southern Texas and Louisiana occurred on and after February 15.
- Following Load Shed
 - 134 generating units in ERCOT had derates, outages or failure to start after firm load shed February 15 through February 18.

¹ [February 2021 Cold Weather Grid Operations: Preliminary Findings and Recommendations - Full Presentation | Federal Energy Regulatory Commission \(ferc.gov\)](#)