



Natural Gas Pipelines Extensively Communicate with Electric Grid Operators

The Federal Energy Regulatory Commission (FERC) has long maintained that “communication between interstate natural gas pipelines and electric transmission operators can be invaluable to help ensure that electric transmission operators maintain grid reliability.” Accordingly, FERC has built a robust framework for pipelines and grid operators to exchange both public and non-public information with each other.

What do natural gas pipelines communicate to the public about space on their pipelines?

Interstate natural gas pipelines do not sell natural gas, only transportation services. FERC requires interstate pipelines multiple times a day to post on a public website how much space or “capacity” is available for transportation at (1) “receipt” points where gas enters the pipeline, (2) along the pipeline, (3) “delivery” points where customers can take gas off the pipeline, and (4) in storage fields (as applicable).

Pipelines post additional information on a customers-only website, including the volumes currently scheduled for delivery through the pipeline for each pipeline segment and data on gas flows such as customer-specific imbalances, which occur when a customer takes more gas off the pipeline than it puts on.

Finally, pipelines must publicly post an “index” of their firm customers that includes the identity of each customer on the pipeline, the type of service the customer purchased, the maximum volume the customer may transport under its contract, whether the customer is receiving a discount or a “negotiated” rate, and the customer’s receipt and delivery points. This information can help non-firm customers who need firm capacity only for a limited number of days (like many power plants) identify firm customers and potentially negotiate an agreement to take a firm customer’s capacity on the pipeline during periods of high demand.

What do natural gas pipelines communicate about changes to their system?

Interstate pipelines publicly post notices about events affecting the amount of space on their pipelines, such as planned and unplanned maintenance. The posts include the location and expected duration of the event and the extent of impacts to pipeline services, if any. Pipelines must post this information as soon as it becomes available and update the posts as operational conditions evolve.

Operational Flow Orders (OFOs) are a type of notice. OFOs are not curtailments; they do not prevent customers from taking gas to which they are entitled. Rather, OFOs inform customers that they must only take the amount of gas specified in their contract to preserve operational integrity of the pipeline during periods of high demand.

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What additional communication occurs between pipelines and electric grid operators?

FERC also adopted certain standards to “improve coordination between the gas and electric industries” and “to improve communications about scheduling of gas-fired generators.” These standards require pipelines to communicate to electric grid operators “material changes in circumstances that may affect hourly flow rates.” The standards further require electric grid operators to establish communication procedures with pipelines. FERC allows pipelines and grid operators to exchange non-public operational information to promote electric grid reliability.

What does this mean for electric reliability?

The United States lacks sufficient natural gas pipeline capacity to meet the needs of local distribution companies, businesses, and power generators during peak demand periods. Additional communication requirements will not materially address this problem, just inform electric customers what they already know: there is not enough pipeline capacity to accommodate demand. The United States must focus on removing the obstacles to expanding the infrastructure needed to meet demand for reliable, safe, and affordable delivery of natural gas.

