

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC CONSIDERATION OF)	
THE IMPLEMENTATION OF NORTH)	
AMERICAN ENERGY STANDARDS)	CASE NO 2023-00272
BOARD'S RECOMMENDATIONS ON)	
GAS AND ELECTRONIC)	
HARMONIZATION)	

CITIPOWER, LLC COMMENTS

CitiPower, LLC appreciates the opportunity to comment to the implementation of several recommendations of the North American Energy Standards Board (NAESB) concerning gas and electric Harmonization released in a report issued on July 28, 2023.

Listed below are the specific NAESB recommendations for which the commission has requested comments, and CitiPower's response.

Recommendation 7. State public utility commissions and applicable state authorities in states With competitive energy markets should engage with producers, marketers and intrastate pipelines to Ensure that such parties operations are fully functioning on a 24/7 basis in preparation for and during in Events in which extreme weather is forecasted to cause demand to rise sharply for both electricity and natural gas, including during weekends and holidays. (States could consider the approaches adopted in FERC regulations affecting the interstate pipelines.) In instances where state authorities lack enabling authority to take such actions, FERC should adopt regulations to achieve identical outcomes within its authority.

CitiPower's Comments. CitiPower operates its distribution pipelines in a manner that keeps its operations running on a 24/7 basis while planning for and during events in which extreme weather is forecasted to cause demand to rise sharply for both electricity and natural gas, including during

weekends and holidays. All utilities are required to make all reasonable efforts to prevent interruptions of service and to restore service, if interruptions occur, with the shortest possible delay. Given the PSC's regulations of handling interruptions of service, CitiPower does not think additional FERC regulations are necessary to address this.

Recommendation 10. State public utility commissions should encourage local distribution companies within their jurisdictions to structure incentives for the development of natural gas and electric demand-response programs in preparation for and during events in which demand is expected to rise sharply for both electricity and natural gas.

CitiPower's Comments. CitiPower in the process of developing an amended program that informs its customers of steps they can take to lower their usage of natural gas during a period of extreme weather whereby demand for natural gas is expected to increase sharply. If the PSC has a formal demand response program, CitiPower would consider incorporating it into the program it is drafting.

Recommendation 11. State public utility commissions should encourage local distribution Companies within their jurisdictions to provide voluntary conservation public service announcements for residential, commercial and industrial customers in preparation for and during events in which demand is expected to rise sharply for both electricity and natural gas.

CitiPower's Comments: As stated in Recommendation 10, CitiPower is developing an amended program to inform its customers of steps to be taken in periods of extreme demand. CitiPower does not think existing regulations need to be expanded or amended.

Recommendation 12: Joint and cross-market, long-term planning should be expanded by relevant gas and electric market parties with an increased focus on fuel adequacy, FERC should encourage this planning coordination using its oversight roles for interstate pipelines, regulated RTO/ISO interstate transmission, and Electric Reliability Organization (ERO)-related Planning Authorities and collaborate with state public utility commissions and applicable state authorities.

CitiPower's Comments: CitiPower is a Local Distribution Company and is not involved with RTO/ISO to our knowledge. CitiPower is in favor of FERC holding discussions regarding the reliability issues of natural gas sources and transportation of same.

Recommendation 13: The FERC, state public utility commissions, and applicable state authorities in states with competitive energy markets should consider whether market mechanisms are adequate to ensure that jurisdictional generators have the necessary arrangements for secure firm transportation and supply service and/or storage to avoid and/or mitigate natural gas supply shortfalls during extreme cold weather events, and if not, (a) determine whether non-market solutions are warranted, including funding mechanisms borne or shared by customers and (b) if warranted, adopt such non-market solutions.

CitiPower's Comments: CitiPower is in a unique situation where it derives its natural gas supply from local producers of natural gas. At present, it is not dependent on interstate or intrastate pipelines for its natural gas supply. CitiPower supports measures that would increase the reliability of interstate natural gas services.

Recommendation 14: Applicable state authorities should consider the adoption of legislation or regulations or other actions to create a secondary market for unutilized intrastate natural gas pipeline capacity, including a requirement for intrastate pipelines to offer some minimum level of firm service and/or support bilateral agreements between end users. In instances where state authorities lack enabling authority to take such actions, FERC should adopt regulations to achieve identical outcomes within its authority.

CitiPower's Comments: CitiPower, at present, derives all of its natural gas supply for local Producers and is not dependent on intrastate or interstate pipeline companies. CitiPower makes all Reasonable efforts to have adequate supply of natural gas to meet its gas demands. We are not sure how a secondary market would improve its gas supply availability.

Recommendation 15: Applicable state authorities should consider establishing informational Posting requirements for intrastate natural gas pipelines to enhance transparency for intrastate natural gas market participants regarding operational capacity data, similar to the report and posting requirements mandated by FERC for interstate natural gas pipelines as part of 18 CFR 284.13. In

instances where state authorities lack enabling authority to take such actions, FERC should adopt regulations to achieve identical outcomes within its authority.

Ctipower's Comments: As stated in Recommendation 14, CitiPower derives all of its natural gas supply from local producers and does not have any problems with force majeure events on a large scale.

Recommendation 16: Applicable state authorities should consider the development of weatherization guidelines appropriate for their region/jurisdiction to support the protection and continued operation of natural gas production and processing and gathering system facilities during extreme weather events, and require public disclosure concerning weatherization efforts of jurisdictional entities.

CitiPower's Comments: CitiPower is aware of the need for weatherization guidelines for natural gas production and gathering system facilities. Guidelines should be case specific instead of blanket guidelines that would impose hardship regulations on smaller companies.

Recommendation 17: Many generalized recommendations for resource adequacy and Accreditation and market reforms to bolster reliability were offered throughout the NAESB GEH Forum activities: we understand, however, based upon information provided by representatives from the ISO and RTO segment, that steps are being taken within the organized markets to consider such reforms through their stakeholder processes. The GEH Forum endorses this evaluation of resource adequacy and accreditation requirements by all ISOs and RTOs and encourages the review of the Forum record.

CitiPower Comments: CitiPower supports the review and consideration of the Forum record.

Dated November 29, 2023.

Respectfully Submitted

A handwritten signature in black ink that reads "Adam Forsberg". The signature is written in a cursive style with a horizontal line underneath the name.

Adam Forsberg
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