

Critical Gas Infrastructure – Demand Response Participation

Problem / Opportunity Statement

Based on the outcome of the joint FERC/NERC report¹ on the impact of the severe cold weather event that occurred between February 8, 2021 and February 20, 2021 on the grid in the Texas and South Central United States, PJM is responding to its recommendations regarding certain Demand Response participation. The report states in part at *Key Recommendation 1h* “To require Balancing Authorities’ operating plans (for contingency reserves and to mitigate capacity and energy emergencies) to prohibit use of critical natural gas infrastructure loads for demand response.”

As a Balancing Authority PJM must implement this recommendation.

Based on the situation in Texas and the report, PJM has initiated discussions with Curtailment Service Providers (CSPs) through the DRS to help identify these loads for the 21/22 winter. PJM has developed a preliminary definition of the critical gas infrastructure loads (<https://pjm.com/-/media/committees-groups/subcommittees/drs/2021/20211209/20211209-item-04-critical-gas-infrastructure.ashx>) and CSPs have cooperated to identify such loads in the DR Hub application so PJM has operational awareness.

Based on CSP input, PJM estimates that there are approximately 20 facilities (~95 MW winter capability/190 MW summer capability) of critical gas infrastructure load that participate as Demand Response in the PJM wholesale markets. CSPs have also highlighted that most of these loads have plans in place to avoid any significant disruption in the supply of gas when curtailed.

This effort addresses the policy issues stemming from the experiences in Texas and South Central United States last winter. The report recommends that these changes should be implemented by Winter 2023/2024.

If this effort is not addressed, there is the potential for PJM to be out of compliance with new NERC standards that result from the recommendation.

¹ <https://www.ferc.gov/media/february-2021-cold-weather-outages-texas-and-south-central-united-states-ferc-nerc-and>