Critical Gas Infrastructure – Demand Response Participation

Problem / Opportunity Statement

- The problem to be addressed, the issue to be resolved.

  Based on the outcome of the joint FERC/NERC report[1] on the impact of the severe cold weather event that occurred between February 8 and 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."

- Why it warrants consideration in the PJM stakeholder process.

  As a Balancing Authority PJM must implement this recommendation. Governing documents and manuals will need to be revised to prohibit participation of such critical natural gas infrastructure load in its programs.

  Based on the situation in Texas and the report, PJM has initiated discussions with Curtailment Service Providers (CSPs) to help identify these loads for the 22/23 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 200 MW of critical gas infrastructure load that participate as Demand Response in the PJM wholesale markets. This represents about 20 facilities. 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.

- Document if the new work is to address a specific technical issue and/or to address policy issues.

  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.

- Include potential additional consequences if no action is taken

  Potential to be out of compliance with NERC standards.

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