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Elliott Report: Complete Electricity Standards, Implement Gas Reliability Rules

The final report on Winter Storm Elliott, the Christmas 2022 storm that contributed to power outages for millions of electricity customers in the Eastern half of the country, recommends completion of cold weather reliability standard revisions stemming from 2021's Winter Storm Uri and improvements to reliability for U.S. natural gas infrastructure.

The report, presented to FERC today by FERC staff and staff of the North American Electric Reliability Corporation (NERC), outlines 11 recommendations for action to help prevent similar occurrences during future extreme winter weather. The recommendations cover cold weather reliability improvements for power generators, natural gas infrastructure, gas-electric coordination and electric grid operations.

"It's abundantly clear that we must make major improvements to the cold-weather reliability of both the natural gas and electricity production and grid systems," FERC Chairman Willie Phillips said. "I have said repeatedly: Someone – it doesn't have to be FERC – must have authority to establish and enforce natural gas reliability standards. And some recommendations from the 2021 Uri report are still not implemented. Please get that done. It shouldn't take five winter storms in 11 years to show us the gravity of the situation we find ourselves in."

NERC President and CEO Jim Robb said, "This sobering report underscores the need to take urgent action on the interdependence between the bulk electric and natural gas systems, including the need for sufficient and reliable gas and electric infrastructure to sustain energy reliability. NERC, the Regional Entities, and FERC are fully committed to finding effective, collaborative solutions in line with these findings. The report also reaffirms NERC's equally strong commitment to completing Reliability Standards work to ensure industry is prepared for extreme cold weather."

FERC and NERC staff, along with staff from NERC's six regional entities, initiated an inquiry shortly after Winter Storm Elliott occurred. Though their final report itself will be published later this fall, today's presentation highlighted several key facts about the December 2022 event, including:

- There were unprecedented unplanned generating unit losses, with nearly 90,000 megawatts out at the same time.
- Nearly 80 percent of the generating units failed to perform at temperatures above their own documented minimum operating temperatures.
- Several electric grid operators had to shed firm load to maintain system reliability.
- Natural gas pipeline pressures dropped largely because of freeze-related production declines in production of Marcellus (23 percent) and Utica (54 percent) shales, as well as other natural gas infrastructure freeze- and equipment-related problems. Every cold weather inquiry report that has studied natural gas production has found cold-related declines in natural gas production, by as much as 70 percent in some cases.

 Consolidated Edison Inc., which serves the greater New York Metropolitan area, faced reliability-threatening low pressures on its delivery pipelines, forcing it to declare an emergency and use its own liquefied natural gas facility to maintain service.

According to the presentation, the report states there must be robust monitoring of how the industry is implementing current cold weather Reliability Standards to determine if reliability gaps exist. Also, NERC should obtain an independent technical review of the causes of cold-related mechanical and electrical generation outages to identify preventive measures, which includes determining if additional reliability standards are needed.

The report also states that congressional and state legislation or regulation is needed to establish reliability rules for natural gas infrastructure to ensure cold weather reliability. Currently, no regulatory entity is tasked with ensuring the reliability of the natural gas infrastructure on which the electric grid relies.

Finally, the report recommends the North American Energy Standards Board convene a meeting of gas and electric grid operators and gas distribution companies to identify improvements in communication during extreme cold weather events to enhance awareness across the natural gas supply chain. In addition, the report suggests hiring an independent research group to analyze whether additional gas infrastructure is needed to support grid reliability and meet the needs of gas utilities.

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