

December 9, 2022

ERCOT Legal

Via Email: revisionrequests@ercot.com

RE: M-A112222-02 Request for Stakeholder Comments on Proposed ERCOT Framework for Firm Gas Firm Fuel Supply Service Phase II

The Williams Companies, Inc. (Williams), is an American energy company headquartered in Tulsa, Oklahoma, with a major base of operations in Houston, Texas. Our core business is natural gas processing and transportation, with additional petroleum and electricity generation support assets.

Williams NorTex Midstream facility located in north Texas, serves the Dallas-Fort Worth Metroplex with 36 Bcf of working gas capacity and is a prominent third-party gas storage provider serving electric generation customers in the state. NorTex provides traditional firm natural gas storage, injecting gas in the summer and shoulder months for withdrawing in the winter to cover peak heating demand. This same service is also used in summer to cover peak cooling demand. NorTex has winterized its facilities to ensure it can provide cover on shortfalls in natural gas supply when they occur.

In addition, NorTex has developed a firm storage service specifically for gas-fired power generators. This firm storage service provides gas that is immediately available and used to manage the hourly needs throughout a 24-hour day. This service allows power generation customers to balance the intermittency of renewable generation and provide reliability to the ERCOT grid.

Products like FFSS incent generation resources to secure firm gas storage, meet a higher resiliency standard and greatly reduce the potential for fuel issues at thermal generation sites that may occur as a result of winter weather conditions. Opening the FFSS product to participation by a broader range of generation resources that utilize off-site natural gas storage and pipeline transportation owned by third parties will significantly improve grid reliability and resiliency during weather events.

Williams is concerned that the definition of “Qualifying Pipeline” excludes facilities that have contracts with human needs customers or LDCs. In fact, NorTex’s two facilities, Hill-Lake and Worsham-Steed that combined account for over 850 MMcf/d of gas withdrawals when full, will not qualify as a Qualifying Pipeline as currently defined. We suspect, practically no natural gas storage in ERCOT will qualify. However, we see no reason for Qualifying Pipelines to be excluded from serving both LDCs and Power Generation and strongly recommend ERCOT change the definition accordingly. After all, both LDC and power generators serve essential human needs.

Williams, for the benefit of human need consumers, would also assert that third-party intrastate pipelines should be required to provide and not deny shippers receipt point and delivery point access to independent gas storage assets, especially if the storage receipt/delivery points are “in path” along the pipeline route. Williams also supports market-based rates for both gas storage and transportation which will provide the correct price signals for the need to build more pipelines and storage.

Williams greatly appreciates the work of ERCOT in developing this product proposal and believes it will incent the development of critically needed, “quick start” gas-fired generation to ensure reliability for ERCOT and all Texans. If you should have any questions, we can be reached directly at (832) 352-986, or via email at Gabriel.Sepulveda@williams.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'G. Sepulveda', with a stylized, cursive script.

Gabriel G. Sepulveda
Director, State Government and Regulatory Affairs
Williams