
The February 2021 Cold Weather Event occurred from February 8 through 20, 2021, during which large numbers of generating units experienced outages, derates, or
failures to start, resulting in energy and transmission emergencies. The power outages affected millions of customers throughout the ERCOT, MISO, and SPP regions. On February 16, 2021, FERC and NERC announced a joint inquiry to examine the root causes of the event.

The preliminary findings indicate that a majority of the unplanned generating unit outages, derates, and failures to start were due to natural gas fuel supply issues. The major causes of the decline in natural gas wellhead production were “shut-ins to protect natural gas production and processing facilities from freeze-related impacts, frozen equipment, loss of power supply, and poor road conditions (due to precipitation) that prevented the removal of fluids from production sites or access to facilities to make necessary repairs.”

While the inquiry and preliminary report largely focus on electric grid operations, FERC/NERC also made natural gas-focused recommendations:

1. Congress, state legislatures and regulators with jurisdiction over facilities used for producing, treating, processing, pressurizing, storing, or transporting natural gas should require those gas facilities to have cold weather preparedness plans, including measures to prepare to operate during a weather emergency. This measure would be mandatory, with an implementation timeframe before Winter 2023/2024.

2. Natural gas production, gathering and processing facilities should consider implementing measures to protect against freezing and other cold-related limitations, which can affect the production, gathering and processing of gas. This would be voluntary, with an implementation timeframe before Winter 2022/2023. Example measures include:
   - Covering or sheltering sensitive facilities, adding heating equipment; and
   - Installing backup generation at critical sites.

Other examples include (with the full list forthcoming in the final report):

- Implement freeze protection measures, including burial of flow lines;
- Ensure necessary emergency staffing, including surge capacity;
- Enter into mutual assistance programs, whereby fellow natural gas infrastructure companies that are not affected by the same storm could supply equipment, supplies or staff, to those affected by a cold weather emergency;
- Review contracts (firm vs. non-firm/interruptible retail electric power);
- Review whether all electrical equipment has been designated as critical load;
- Take proactive steps to procure quick turnarounds on requests for environmental waivers for backup generators when needed during cold weather events;
- Enhance emergency operations plans to incorporate extreme cold weather
response;

- Producers, gatherers and processors should conduct training and drills to exercise their emergency operations plans, including coordinated drills/exercises on severe winter event scenarios, jointly with pipelines.

The preliminary report also recommended that FERC establish a forum in which state legislatures/regulators, in cooperation with FERC, NERC, and the Regional Entities, Balancing Authorities, and gas infrastructure entities could identify concrete actions to improve the reliability of the natural gas infrastructure system to better support bulk-power system reliability during cold weather. The report suggested a joint task force with the National Association of Regulatory Utility Commissioners (“NARUC”), a Federal Advisory Committee, or technical conferences.

The report with FERC/NERC’s final recommendations is expected this winter.

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