

From: Peri Ulrey <Peri.Ulrey@NGSA.org>
Sent: Friday, November 21, 2014 4:53 PM
To: Grant, Ian S; burdit@pjm.com
Cc: Patricia Jagtiani
Subject: NGSAs Comments on the draft Target 4 EIPC Gas-Electric Interface Study Report

Ian/Tim,

Thanks for the opportunity to comment on the draft Target 4 Report, "Fuel Assurance: Dual Fuel Capability and Firm Transportation Alternatives" report. It looks to be in great shape except for a couple of questions/comments I have on the report:

1. Should the title be "Fuel Assurance: Dual Fuel Capability versus Firm Transportation?" instead of with an "and."
2. In section "4.2 ULSD Market Implications," pages 36-37, the discussion is very positive on the future of the ULSD market, however, it does not indicate whether the ULSD market could meet generator demand on short-notice replenishment during a longer than two- or three-day (the average back-up storage capacity for new SC or CC plants, respectively) peak winter heating demand period. There is a statement on the bottom of page 37 stating that "the key to assuring sufficient supplies of ULSD to meet generator needs during peak winter periods will involve a combination of transportation scheduling and maintaining adequate on-site supplies going into the winter season." Does that mean that for longer, sustained cold periods the delivery of ULSD delivery may not be able to "keep up" without prior transportation of supply assurances?
3. In the "6.9 Conclusions" section, I would recommend adding a paragraph incorporating some of the key items needed to have a properly working back-up system that are detailed in the report including in the Executive Summary. The Conclusion currently only provides the primary economic reasons supporting generator fuel assurance through dual fuel capability versus FT without also adding some of the caveats that were discussed in the body of the report such as dual-fuel's environmental operating limits, zoning requirements as well as the need to have a sufficient combination of transportation scheduling and on-site supplies for peak winter days.

Thanks,

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suppliers of domestic natural gas.*