



# **Gas Curtailment**

**State of California  
Department of General Services  
Annual Customer Meeting  
March 2014**



# How Gas Gets to You

**PG&E  
Transports  
the gas for  
DGS**



**DGS NGS  
procures  
the gas for  
the  
Customers**





## **Noncore Customer Defined**

- ❑ Prior to 1993, Large non-residential customers with alternative fuel capability were required to be noncore. When the alternative fuel requirement was removed, these customers were “grandfathered” as noncore. (Rates Schedule G-NT, and G-EG (Generation))**
  
- ❑ Non-residential core customers are eligible for reclassification to noncore classification if average monthly use has exceeded 20,800 therms during a twelve (12) month period (250,000 therms per year).**



## **Noncore Customer Defined Cont'd**

**Noncore – large commercial & industrial**

- Consume more than 20,800 therms during a 12 month period.**
  
- Procure own gas directly or through a marketer/supplier (other than PG&E).**
  
- Noncore end-use customers may be required to decrease or fully curtail their gas usage.**



# **Noncore Gas and Curtailments**

- ❑ Noncore customers are subject to local transmission and distribution pipeline curtailment based on pipeline capacity per gas Rule 14.**
- ❑ Local curtailment of gas usage may be necessary to ensure local core customer demand is met.**
- ❑ Curtailments are implemented to resolve capacity constraint issues i.e., the pipeline has design ratings based on ability to deliver volume and ensure adequate pressures. If demand is projected to exceed the design rating, there is a capacity constraint.**
- ❑ A local curtailment may be implemented when temperatures are expected to drop below Cold Winter Day (CWD) temperatures.**
- ❑ Noncore customers are provided an “allowed burn rate” letter in approximately November of each year.**



## **Prepare a Contingency Plan**

- ❑ Identify a lead person in your facility**
  - **Example: a mechanical engineer, boiler specialist, Chief Plant Engineer, or Consulting Engineer**
- ❑ Conduct an audit or survey in your facility**
  - **Identify equipment using natural gas**
- ❑ Dual fuel burner tips?**
  - **Install Dual Fuel Burner Tips - #2 or diesel**
  - **Make sure you get air permits if needed**
- ❑ Schedule a rehearsal exercise with your staff and customers**
- ❑ Schedule a rehearsal with PG&E**
  - **Identify your company's key contacts and phone numbers**
  - **Practice the sequence of events.**



# Local Curtailment Notification Timeline

## Day prior to curtailment:

- ❑ **~12 Noon** - Curtailment decision is made based on the morning forecast of gas supply, demand, and weather
- ❑ **~2 p.m.** – PG&E Account Managers receive curtailment list
- ❑ **No later than 5p.m.** – Local Account Managers fax curtailment notification and make follow-up phone calls to customers; CGT Account Managers notify suppliers by phone
- ❑ **Midnight** - Curtailment begins



# Curtailment Responsibilities

- ❑ **Customers are expected to manage their operation to stay at/below the allowable usage continuously over the curtailment period.**
  
- ❑ **PG&E can remotely monitor customers usage and will notify customers who are not complying.**
  
- ❑ **Financial penalties for noncompliance are \$50/decatherm exceeded per hour plus the daily Citygate Index (if an emergency flow order is not also in effect at the time).**
  
- ❑ **If necessary PG&E will physically shut off service to a noncompliant customer.**



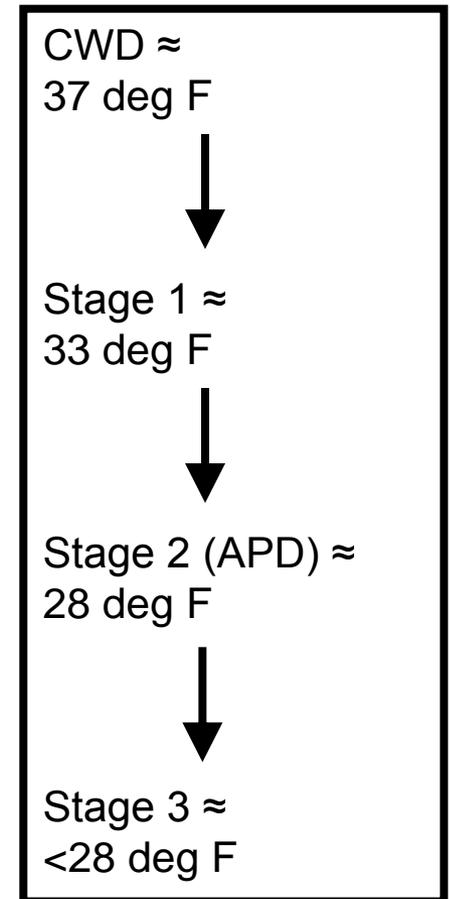
# How are the gas systems designed?

- ❑ **A Cold Winter Day (CWD) Design-** provides reliable service to all core and all noncore customers, although at a warmer temperature than Abnormal Peak Day. CWD is defined as the coldest temperature that may be exceeded one in every two years, on average.
  - **~37F system weighted mean temp**
  - **Lows might be ~31F, and highs ~50F**
- ❑ **Abnormal Peak Day (APD)** - provides reliable service to all core customers, and assumes ALL noncore customers are curtailed. 1 in 90 year recurrence interval, on average.
  - **28F system weighted mean temp**
  - **Lows might be ~22F, and highs ~39F**
- ❑ Note that each local area has its own APD and CWD temperatures, depending on their local weather and usage patterns.



# How are Curtailments Determined?

- A curtailment zone is a grouping of noncore customers that have similar impact to the local system
  
- Curtailment occurs in stages
  - Stage 1 between Cold Winter Day and Abnormal Winter Day.
  - Stage 2 at or near Abnormal Peak Day.
  - Stage 3 full curtailment.
  - Implementation will depend on system operations, performance, and current loads.





## Noncompliance

- ❑ Any noncompliant customer is subject to noncompliance charges per gas Rule 14
- ❑ If a curtailed customer is noncompliant, they may impact the reliability of the system and PG&E's **core** customers.
- ❑ PG&E may shut off the customer's gas supply to retain pressure on the local system.



## Rates and Tariffs Weblinks

❑ <http://www.pge.com/tariffs/GRS.SHTML#GRS>

[PG&E's Web tariff list](#)

❑ [http://www.pge.com/tariffs/tm2/pdf/GAS\\_SCHEDS\\_G-NR1.pdf](http://www.pge.com/tariffs/tm2/pdf/GAS_SCHEDS_G-NR1.pdf)

Gas Rate G-NR1; Gas Service to Small Commercial Customers

❑ [http://www.pge.com/tariffs/tm2/pdf/GAS\\_SCHEDS\\_G-NT.pdf](http://www.pge.com/tariffs/tm2/pdf/GAS_SCHEDS_G-NT.pdf)

Gas Schedule G-NT; Gas Transportation Service to Noncore End-Use Customers

❑ [http://www.pge.com/tariffs/tm2/pdf/GAS\\_RULES\\_14.pdf](http://www.pge.com/tariffs/tm2/pdf/GAS_RULES_14.pdf)

Gas Rule No. 14; Capacity Allocation and Constraint of Natural Gas Service



# Thank you

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