



Electric Resilience & Reliability: A Natural Gas Pipeline Perspective

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Energy Policy Roundtable in the PJM Footprint

November 28, 2017

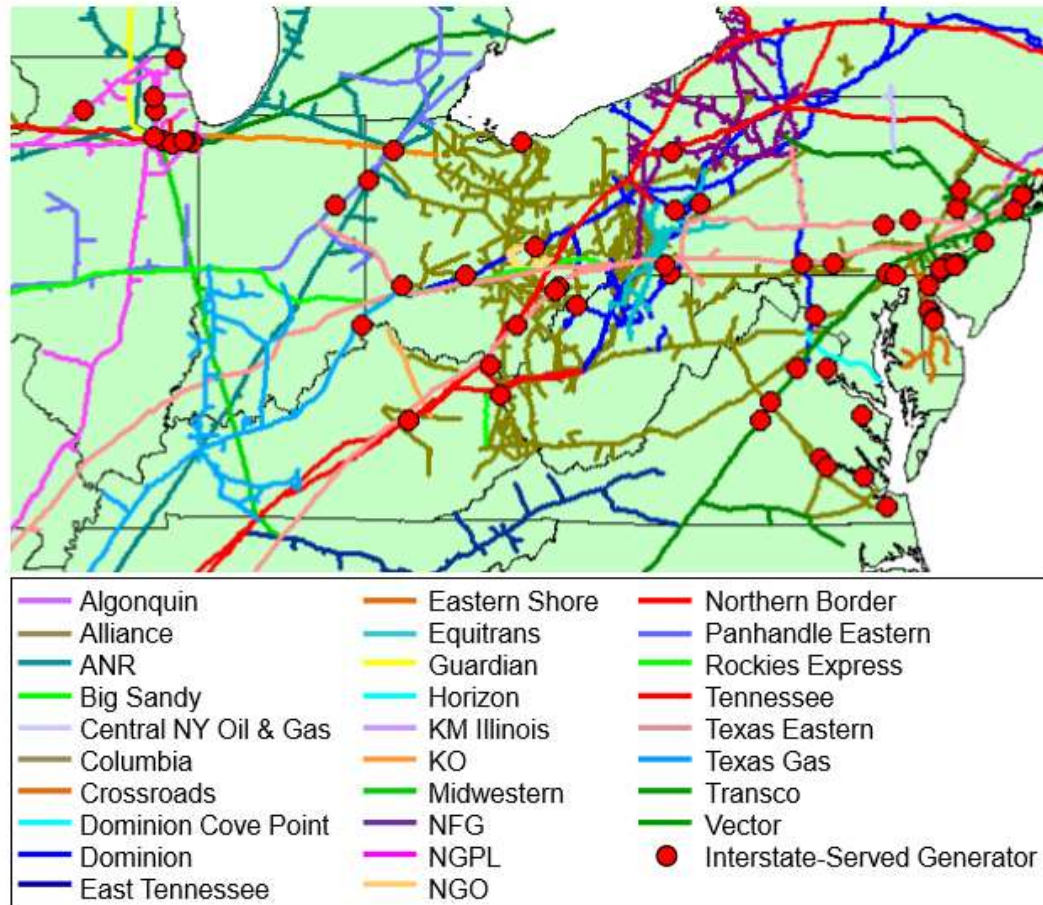


The Interstate Natural Gas Association of America

INGAA is a trade organization that advocates regulatory and legislative positions of importance to the interstate natural gas pipeline industry.

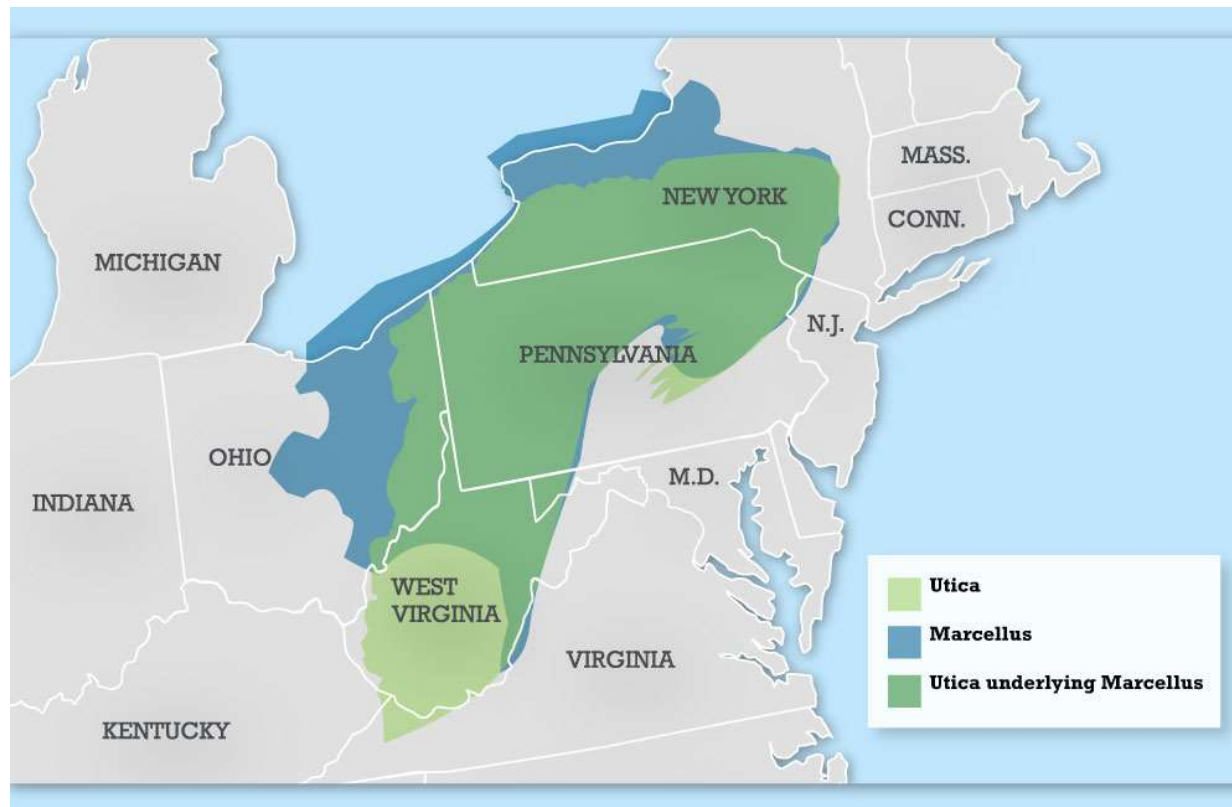
INGAA's members operate approximately 200,000 miles of pipeline.

28 Interstate Pipelines Operating in PJM

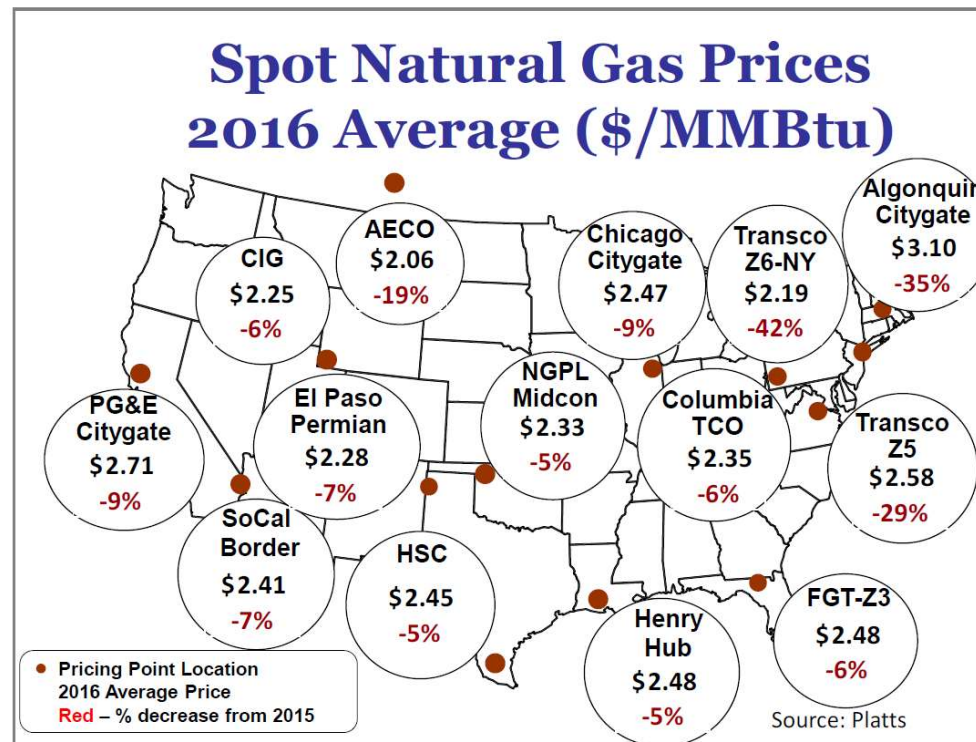


Source: EIPC Target 1 July 2015

New Production Areas Have Diversified Supply Sources



Benefits of Robust Supply and an Interconnected Pipeline Network



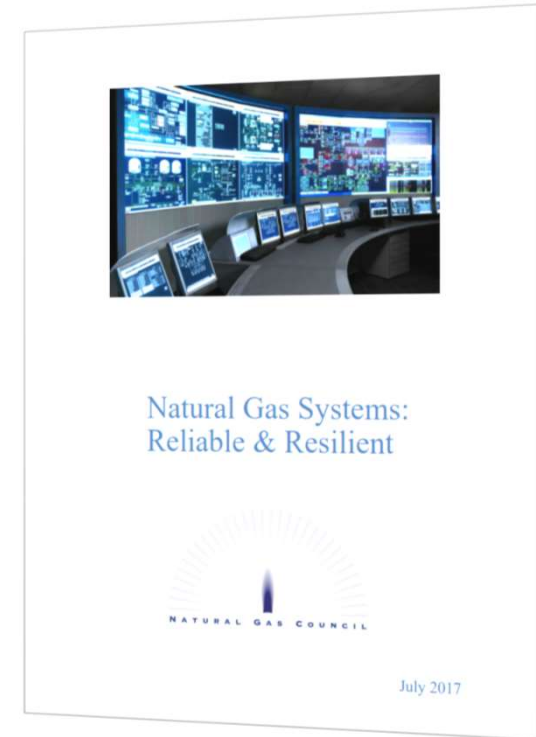
Derived from Platts Daily
Price Survey Data, April 2017

Why Contracts Matter

- Customers take reliability into their own hands.
- Contracting decisions determine priority of service.
- Pipelines schedule capacity and curtail based on contract firmness.

Natural Gas Council Study on Reliability and Resilience

- The gas industry's physical characteristics and operations create inherent reliability and resilience.
- Production is widely dispersed – reducing the vulnerability of supplies to localized weather events.
- Interstate gas pipelines delivered 99.79% of primary firm contractual commitments from 2006-2016.
- Underground natural gas storage services augment production and provide operational flexibility.



INGAA Comments on DOE NOPR (RM18-1)

- INGAA supports efforts to enhance grid reliability, but the DOE's proposal is fatally flawed.
- No evidence of an immediate electric reliability threat from coal/nuclear retirements.
- FERC should determine how best to value and incent reliability and resilience in a fuel-neutral and market-based manner.
- Natural gas pipelines are extremely reliable.
- Natural gas infrastructure performed well during extreme weather events, such as the Polar Vortex and the Gulf Coast hurricanes.

INGAA Recommendations (RM18-1)

- FERC must direct RTOs/ISOs to examine whether, and if so how, they value reliability and resilience.
- The RTOs/ISOs should report their findings to FERC within 90 days.
- FERC should then examine the RTO/ISO reports and develop a new proposal promptly.

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