JOINT COMMENTS OF THE AMERICAN PETROLEUM INSTITUTE, THE
NATURAL GAS SUPPLY ASSOCIATION AND THE INDEPENDENT
PETROLEUM ASSOCIATION OF AMERICA

The American Petroleum Institute (“API”) is the only national trade association representing all facets of the natural gas and oil industry, which supports 10.3 million U.S. jobs and nearly 8 percent of the U.S. economy. API advances its market development priorities by working with industry, government, and customer stakeholders to promote the continued availability of our nation’s abundant natural gas resource for a cleaner and more secure energy future.

The Natural Gas Supply Association (“NGSA”) represents integrated and independent energy companies that produce, transport and market domestic natural gas and is the only national trade association that solely focuses on producer-marketer issues related to the downstream natural gas industry. NGSA’s members trade, transact and invest in the U.S. natural gas market in a range of different manners. NGSA members transport and/or supply billions of cubic feet of natural gas per day on interstate pipelines and could be greatly impacted by the outcome of this proceeding.

The Independent Petroleum Association of America (“IPAA”) is a national upstream trade association representing thousands of independent oil and natural gas
producers and service companies across the United States. Independent producers develop 90 percent of the nation’s oil and natural gas wells. These companies account for 83 percent of America’s oil production, 90 percent of its natural gas and natural gas liquids (NGL) production, and support over 4.5 million American jobs.

On March 25, 2019, ISO New England, Inc. (“ISO-NE”) submitted tariff revisions to implement the Inventoried Energy Program.1 Our organizations commend ISO-NE for recognizing the essential role that natural gas-fired generation resources play in supporting fuel security by including them as eligible recipients of inventoried energy payments. We agree with ISO-NE that providing similar compensation for similar service is a bedrock of sound market design. As API stated in response to ISO-NE’s August 31, 2018 filing:

In the interim, any solution, such as the one proposed by ISO-NE, should not jeopardize the ability of the FCM to meet ISO-NE’s resource adequacy needs at lowest cost, or inadvertently reduce regional fuel security by crowding out resources that provide both resource adequacy and fuel security.2 As ISO-NE acknowledges, while the additional compensation provided by the Inventoried Energy Program may not deter any particular resource that would otherwise be economic from retiring, we believe allowing certain natural gas-fired generation resources to be eligible for the inventoried energy payment is a step in the right direction.3

API, NGSA and IPAA strongly support competitive market-based mechanisms to ensure regional fuel and energy security. Under such an approach, all resources have the opportunity to compete on a level playing field and be appropriately compensated for the

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2 See Protest of the American Petroleum Institute, Docket No. ER18-2364-000 (September 21, 2018).
3 Transmittal Letter at 7.
service they provide, if such service is found to be needed. To that end, we are encouraged by ISO-NE’s commitment to long-term enhancements in its energy and ancillary services markets to address regional fuel and energy security as outlined in its April 2, 2019 whitepaper.4 Any long-term market-based approach to energy and fuel security should allow natural gas-fired generation to fairly compete to provide the desired service. We look forward to actively participating in those discussions.

Dated: April 11, 2019

Respectfully submitted,

Patricia W. Jagtiani
Executive Vice President
Natural Gas Supply Association
1620 Eye Street, NW, Suite 700
Washington, DC  20006
(202) 326-9311
pjagtiani@ngsa.org

Todd A. Snitchler
Group Director, Market Development
American Petroleum Institute
200 Massachusetts Avenue
Washington, D.C. 20001
(202) 682-8457
SnitchlerT@api.org

Susan W. Ginsberg
Vice President
Crude Oil & Natural Gas Regulatory Affairs
Independent Petroleum Association of America
(202) 857-4728
sginsberg@ipaa.org

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