



NEWS

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NGSA Says FERC Should Initiate Fuel Assurance Proceeding *More Specific Outage Reporting Needed*

(Washington, D.C.) -- The Natural Gas Supply Association (NGSA) today asked the Federal Energy Regulatory Commission (FERC) to initiate a comprehensive fuel assurance proceeding and technical conferences to develop more detailed outage reporting, in order to better gauge regional progress and identify if there are actions that FERC or regional power markets should take to bolster fuel assurance in each region.

NGSA made the request in comments filed at FERC today on RTO and ISO fuel assurance reports.

“Valuable knowledge is lost when a generator simply reports a ‘lack of fuel,’ without specifying the physical, contractual or economic factors that contributed to its inability to procure natural gas,” said Dena E. Wiggins, president and CEO of NGSA. “Because such vague descriptions can be interpreted numerous ways, it doesn’t provide the information required to assess the underlying fuel issues. Lacking that information, we’re concerned that regulators could easily form inaccurate conclusions and undertake the wrong measures to bolster fuel assurance,” said Wiggins.

Patricia Jagtiani, executive vice president of NGSA, added, “We hope FERC will work closely with NERC and power market stakeholders to develop a more detailed and uniform reporting system that provides greater specificity about the reasons underlying a generator’s inability to secure fuel.”

NGSA identified improvements that could be made in power markets in order to enhance fuel assurance, referencing a [high-level set of principles](#) that the association, in conjunction with several other diverse energy associations, recently proposed. NGSA emphasized the need to send more accurate price signals to generators in the real-time and day-ahead electricity markets, which would give generators greater confidence in recovering their fuel costs while also strengthening RTOs’ confidence that generators will run when called upon. In addition, NGSA cited its support for capacity market mechanisms developed by ISO-NE and PJM that motivate suppliers to take actions to improve their physical performance by giving higher payments to generators that

perform more reliably, while those who fail to perform are subject to penalties during constrained periods.

Finally, NGSAs asked the Commission to ensure that all other natural gas customers – who represent two-thirds of consumption in the natural gas market – are not harmed as FERC and regional power markets examine ways to increase fuel assurance for power generation.

NGSA's full comments are available [here](#).

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The Natural Gas Supply Association (NGSA) represents integrated and independent companies that supply natural gas. Established in 1965, NGSA encourages the use of natural gas within a balanced national energy policy, and promotes the benefits of competitive markets, thus encouraging increased supply and the reliable and efficient delivery of natural gas to U.S. customers. For more information, please visit www.ngsa.org and www.naturalgas.org.

Markets Matter: Representing America's Major Producers and Suppliers of Natural Gas Since 1965