

NGSA NEWS

For Immediate Release March 28, 2018

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Flawed Assumptions Cause NETL Report to Miss Mark, Says NGSA

(Washington, D.C.) - A National Energy Technology Laboratory (NETL) [report](#) assessing the role of coal and other fuels during this past winter's recent "bomb cyclone" cold weather event relies on flawed assumptions conflating physical availability with economic dispatch choices, the Natural Gas Supply Association (NGSA) said today.

Dena E. Wiggins, president and CEO of NGSA, said, "The fatal flaw of NETL's assessment is that it confused the physical availability of fuel with economic dispatch choices. The amount of natural gas dispatched versus coal during the bomb cyclone is not a measure of how much natural gas was physically available to run, it is simply a predictable behavior by power generators reacting to competitive power market structures. Making conclusions about the **physical** resilience of fuels based on their market prices during a cold freeze is not a sound approach nor does it indicate generation outages and system collapse as the report wrongly concludes."

Wiggins said, "As evidenced by recent RTO submissions to the Federal Energy Regulatory Commission, regional operators take reliability issues very seriously and have multiple efforts underway to ensure sufficient reserve margins, without getting into the business of selecting specific fuels."

NGSA pointed out that low natural gas prices have saved consumers billions of dollars by providing low-cost reliable energy for natural gas and power customers over the last decade, adding that low prices are forecasted to continue for many years to come. In fact, NGSA said, it is competition with low natural gas prices that has led older, uneconomic power plants to seek subsidies to support their continued operation.

NGSA plans to share its concerns directly with NETL.

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The Natural Gas Supply Association (NGSA) represents integrated and independent companies that supply natural gas. For more information, please visit www.ngsa.org and www.naturalgas.org.

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