

NEWS



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Media Contacts

INGAA: Cathy Landry, clandry@ingaa.org 202-216-5913

NGSA: Daphne Magnuson Daphne.Magnuson@ngsa.org 202-326-9314

AGA: Jake Rubin, jrubin@aga.org 202-824-7027

API: Mike Tadeo, tadeom@api.org 202-682-8114

IPAA: Neal Kirby nkirby@ipaa.org 202-857-4722

Natural Gas Industry Welcomes Department of Energy Report on Electricity Market and Reliability

Physical, operational and contractual principles make natural gas system reliable, flexible

Washington, D.C. – The Natural Gas Council, which collectively represents companies that produce, transport and deliver clean, affordable natural gas throughout the United States, today welcomed the U.S. Department of Energy’s staff report on Electricity Markets and Reliability for recognizing the importance of natural gas to the electricity market.

As underscored in the Natural Gas Council report “*Natural Gas: Reliable and Resilient*” released last month, natural gas – from production to delivery – has an exceptional record of reliability and resilience thanks to the system’s operational measures, physical characteristics and contractual underpinnings. The complete Natural Gas Council report can be found at [this link](#).

The five associations comprising the Natural Gas Council made these comments about the DOE staff study:

Dena Wiggins, President and CEO of the **Natural Gas Supply Association**, said:

“We commend DOE’s report for acknowledging how the affordability, cleanliness and flexibility of natural gas have made it critical to the electric grid. We have an exceptional reliability record, made possible by natural gas’ physical characteristics, operational practices and the multitude of market options for serving our customers. We agree that our electric grid must rely on a diverse fuel mix that includes natural gas, nuclear energy, coal and renewables, and we firmly believe

that competitive, fuel-neutral energy markets will produce the best outcomes for consumers. We are long-time supporters of pay-for-performance programs and price formation improvements that provide fuel-neutral incentives for greater performance.”

Don Santa, President and CEO of the **Interstate Natural Gas Association of America**, said:

“This report highlights the importance of a policy framework that promotes sufficient and timely pipeline capacity to meet the needs of electricity generation. These findings provide additional impetus for lawmakers, regulators and policymakers to pursue initiatives that will improve the efficiency of the pipeline permitting process. We also hope that the report will spur interest in finding solutions to ensure that electric generators in all markets are rewarded for holding the firm pipeline contracts necessary for a reliable electricity market. Natural gas – from its abundant production to its remarkably interconnected pipeline network – supports a reliable and resilient electric sector.

Barry Russell, President and CEO of **Independent Petroleum Association of America**, which leads the Natural Gas Council in 2017, said:

“DOE’s report is further evidence of the robust benefits of natural gas development across the nation. From the wellhead to the end user, increased natural gas production and use is powering our economy forward, providing royalties and revenues for local, state and federal treasuries, new jobs for America’s workforce and clean-burning, reliable fuel for electricity generation. Thanks to the innovative work of independent operators across the country – companies that produce 85 percent of U.S. natural gas – these economic and environmental benefits continue to be realized each and every day.”

Dave McCurdy, President and CEO of the **American Gas Association**, said:

“The natural gas transmission and distribution network possesses several key attributes that make it inherently resilient compared to other energy delivery systems. Natural gas systems are far more resilient in the face of extreme weather events because natural gas pipelines are predominantly underground and more protected from the elements. Our natural gas infrastructure also has the advantage of built-in redundancy of interconnections for receipt and delivery of natural gas. Additionally, a future supply of natural gas exceeding 3,100 trillion cubic feet and 400 geographically dispersed natural gas storage facilities help to further ensure supply availability.”

Jack Gerard, President and CEO of the **American Petroleum Institute** said:

“API welcomes the opportunity to review this report from the Department of Energy that focuses on promoting reliability and resiliency in the electric system. Clean and abundant natural gas, which today produces more electricity in the United States than any other fuel, is a reliable and resilient energy resource that generates the power needed by millions of homes and businesses across the country. In fact, increased use of this affordable resource gives our electric system the flexibility needed to meet constantly, and often rapidly, changing electricity demands. Technological innovation and market forces, without government mandates and subsidies, have allowed natural gas to bring great benefits to consumers – saving households an estimated \$1,337 in energy costs in 2015. And the increased use of natural gas for power generation has been a primary driver in reducing carbon emissions in the power sector to near 30-year lows. As we review this report, we look forward to being part of the important conversation that the Department of Energy started today.”

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The Natural Gas Council collectively represents nearly all companies that produce, transport and distribute natural gas consumed in the United States. It includes members of the American Gas Association, American Petroleum Institute, the Independent Petroleum Association of America, the Interstate Natural Gas Association of America and the Natural Gas Supply Association.