NEWS

For Immediate Release: Feb. 3, 2015

Contact: Daphne Magnuson dmagnuson@ngsa.org

(202) 326-9314



RTO Data Fails to Support Changes to Gas Day

(Washington, D.C.) – In comments filed yesterday at the Federal Energy Regulatory Commission (FERC), the Natural Gas Supply Association (NGSA) joined with a broad group of ten natural gas and gas customer associations in urging the Commission to reject changes to the "Gas Day" start time currently under consideration.

Dena E. Wiggins, president and CEO of NGSA said, "The data that's been provided by the various RTOs plainly fails to provide the record evidence required by the Natural Gas Act to support the need for an earlier start time. No RTO or ISO was able to show a link between ramping up to serve morning electric demand and the current 9 a.m. start time. In fact, two of the six responding RTOs outright stated they experienced no issue with the morning electric ramp associated with the current start of the Gas Day and a third admitted it had no data to make such a determination. Certainly, this shows that we are not dealing with a regional issue."

In their joint comments, NGSA and the other associations pointed to the absence of compelling data to show that the current Gas Day creates reliability issues during the morning ramp-up period in regional electricity markets. They noted that charts submitted by the RTOs and ISOs show some generators citing "lack of fuel" occurring, without specifying whether these circumstances occurred because generators made an economic decision not to purchase available supplies, or because of the nature of their contractual arrangements for transportation and fuel. In addition, the associations wrote, in nearly all instances, the frequency of outages during the morning ramp-up occurred at a proportionate rate to outages at other times of the day, providing no reason to support an earlier Gas Day start.

Patricia Jagtiani, senior vice president of NGSA said, "Rather than making sweeping, national changes to the Gas Day to address issues occurring in regional power markets in limited circumstances, we hope the Commission will maintain the current 9 o'clock start."

Jagtiani said, "We are encouraged by the Commission's current initiative to assess how each regional power market is addressing fuel assurance. We believe that effort will yield insights and more effective opportunities to address improvements in gas-electric coordination than changing the clock on Gas Day."

NGSA's joint filing, with the American Forest & Paper Association, the American Gas Association, America's Natural Gas Alliance, the American Public Gas Association, the Gas Processors Association, the Independent Petroleum Association of America, the Interstate Natural Gas Association of America, the Process Gas Consumers Group and the Texas Pipeline Association – can be found here.

####

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, efficient delivery of natural gas to U.S. customers. For more information, please visit www.ngsa.org