**Prepared Opening Remarks of Dena Wiggins**
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**FERC Technical Conference on Carbon Pricing,**
**September 30, 2020**

Natural Gas Supply Association

Thank you for inviting me to speak to you today. I am Dena Wiggins, President and CEO of the Natural Gas Supply Association, which represents suppliers that produce and market natural gas in the United States. "Markets matter" has been our tag line for going on a decade and, while markets may never be perfect, taking a market-based approach to environmental challenges consistently leads to practical and sustainable solutions that make a difference.

It is going to require a great deal of hard work to build a clean energy future. We know it will not be easy for any of the diverse organizations here today and none of us has all the answers yet, but the discussion we are having right now is how we begin forging the policies and partnerships that will help us reach a better future.

It is a rare and striking occasion to see this much widespread support for a credible long-term policy among all industry participants. In fact, according to a recent study by Resources for the Future, our support for carbon pricing or cap-and-trade programs is shared by over 60% of Americans.

We are hopeful that today's discussion will spur states, regions, industry stakeholders and policymakers into pursuing the development of carbon pricing mechanisms.

FERC plays an integral role in maintaining that momentum. The Commission can instill greater confidence in states and regions by formally affirming in a policy statement that FERC does not intend to expand its jurisdictional reach; that the Commission is willing to consider RTO/ISO tariff proposals that come before you as carbon pricing proposals to be harmonized with existing market structures; and that tradeable mechanisms, such as RGGI, remain acceptable market constructs. Such clarity will clear the path for parties to begin constructive

efforts to develop carbon pricing mechanisms, knowing that when proposals arrive at FERC's door, their efforts will not be futile.

Our member companies see natural gas as a building block of a clean energy future in its partnership with renewables and through our investment of billions of dollars in clean technologies and resources. We are working hard to develop policies that support our environmental goals.

Nearly a year ago, NGSA publicly rolled out its support of carbon pricing, making us the first natural gas trade association to advocate for a price on carbon. We believe that effective carbon pricing is critical to decarbonizing the world's energy systems and provides a level playing field for different technologies, allowing decarbonized gas to compete and optimal solutions to be achieved.

The fact that it will not be easy to develop a carbon pricing policy makes it even more important that we push forward – we all know that nothing is easy when it comes to power markets. The details regarding border adjustments, leakage, the price of carbon, how to allocate revenues are just a few of the complicated elements that each state or region will have to sort out. While the sausage-making may not be pretty, it is our firm belief that states and regions will appreciate the value of their efforts when they begin to realize the benefits of implementing a sustainable policy solution. We are all better off if that process of developing a sustainable solution begins now.

While we believe national economywide carbon pricing is the most effective way to implement carbon pricing, we recognize that, absent national legislation, states are and will continue to take the lead in finding ways to reduce emissions from the energy sector. These actions, if designed correctly and implemented with other states on a regional basis, can be

productive interim measures that align with eventual implementation of broader-based regional or national carbon pricing programs.

I want to briefly highlight a few prominent attributes of carbon pricing that make it the most effective long-term solution in power markets.

i) ***Reduces tension between state and federal policy goals***. Pricing carbon in power markets, if properly implemented, allows states and regions to effectively achieve carbon reductions without compromising competitive wholesale power markets that have delivered tremendous savings to consumers.

ii) ***Enhances the natural gas/renewables partnership.*** Carbon pricing allows all resources to compete and allows operators the assurance of reliability that the natural gas-renewable partnership offers in addressing intermittency and resource adequacy. Keeping the lights on is one goal we all share and must happen to keep the public's trust and confidence.

iii) ***Leads to faster, more efficient decarbonization of the electricity sector***. Carbon pricing incents innovation in new cleaner technologies such as CCUS and provides much-needed certainty to generation companies. A recent EIA study shows that natural gas will continue to be part of the resource mix for electricity even with a meaningful price on carbon -- although not to the extent it is now. As the chart attached to my remarks shows, EIA's model demonstrates that using a price on carbon delivers more emissions reductions than in a "low renewable cost" scenario; reiterating my theme here – "markets matter."

iv) ***Limits cost burdens on consumers during this time of economic hardship***. Allowing the market to self-select the most economical resources has never been more

important considering the economic hardship that states, households and businesses are now experiencing. In fact, the revenue generated by carbon pricing can be used to help offset cost effects on communities, consumers and businesses that are impacted by increased costs.

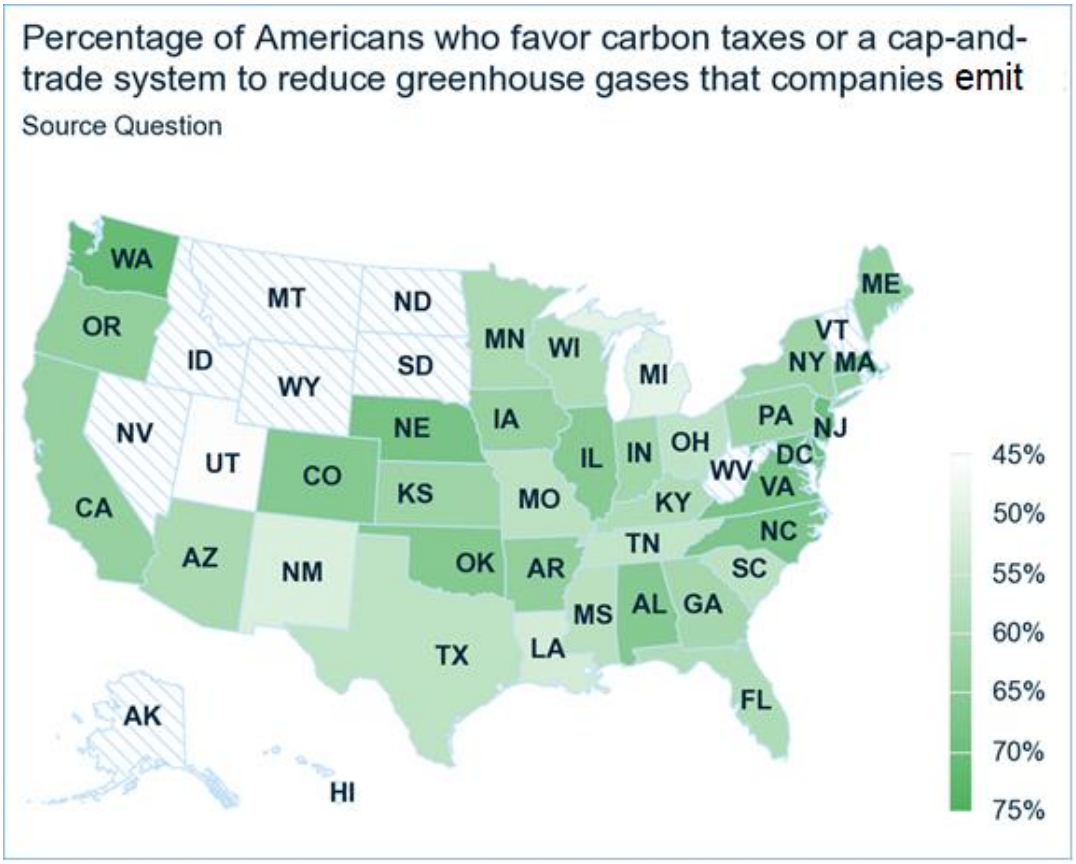
Thank you again for allowing me to participate in this important conference and I am happy to take any questions you may have.

**Appendix 1**

*Resources for the Future Report: Climate Insights 2020: Surveying American Public Opinion on Climate Change and the Environment*

Access link here:

https://www.rff.org/publications/data-tools/climate-insights/?utm_source=Resources+for+the+Future&utm_campaign=d96c9023d6-EMAIL_CAMPAIGN_2020_05_05_03_39_COPY_01&utm_medium=email&utm_term=0_e896179bd7-d96c9023d6-100747385



**Appendix 2**

*U.S. Energy Information Administration: Carbon Price Scenarios*

Access link here:

https://www.eia.gov/outlooks/aeo/data/browser/#/?id=17-AEO2020&region=1-0&cases=ref2020~lorencst~rpstranche_50tx~carbonfee15~carbonfee25~carbonfee35&start=2018&end=2050&f=A&linechart=~~~~~~ref2020-d112119a.33-17-AEO2020.1-0~lorencst-d120119a.33-17-AEO2020.1-0~rpstranche_50tx-d011420a.33-17-AEO2020.1-0~carbonfee15-d122319a.33-17-AEO2020.1-0~carbonfee25-d122319a.33-17-AEO2020.1-0~carbonfee35-d122319a.33-17-AEO2020.1-0&map=lorencst-d120119a.3-17-AEO2020.1-0&sourcekey=0

## EIA Chart: Significant Carbon Reductions Even at Differing Carbon Prices