



NEWS

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Gas-Electric Market Solutions Offered to FERC by Reliability Alliance of Natural Gas and Power Associations

Washington, D.C. – A coalition of natural gas and power trade associations known as the Reliability Alliance provided nearly a dozen jointly-developed recommendations for improvements to gas-electric coordination to the Federal Energy Regulatory Commission (FERC) in advance of today’s annual Technical Conference on Reliability.

The trade associations, along with member company technical experts, have been working together since early 2023 to identify and craft proposed solutions to mitigate the power system challenges experienced during Winter Storm Elliott.

Todd Snitchler, president and CEO of the Electric Power Supply Association, said: “Customers depend on reliable electricity and meeting that need is our number one priority. Winter weather events are a time when generators need to secure supply quickly, have the ability to get it delivered on time, and require sufficient notice to do both. Advance preparations are a critical component to delivering reliability, and we hope these recommendations can drive real, incremental solutions.”

Dena Wiggins, president and CEO of the Natural Gas Supply Association, said: “As we learned more about gas generators’ experiences during Elliott, it became strikingly clear that the majority of gas generators’ fuel challenges occurred when RTOs/ISOs called on generators to run in real time. This was confirmed by PJM’s analysis, which showed that nearly 90% of the gas generator outages related to natural gas availability during Elliott were associated with gas generators without Day-Ahead Market commitments.”

Amy Andryszak, president and CEO of the Interstate Natural Gas Association of America, said: “Based on these real-world experiences, we zeroed in on the most effective solutions to address electric reliability during these critical periods. Natural gas has a crucial role to play in ensuring electric reliability, but end-users will not be able to realize that reality without continued investment in natural gas infrastructure. These recommendations encourage necessary electric market reforms to facilitate this critical investment.”

Proposals addressing Real-Time Market challenges. The Reliability Alliance paper provided suggestions that address these real-time challenges, such as market-based approaches to pricing, dispatch and advance purchasing to reduce generator uncertainty; enabling generators to update operating parameters to account for less gas system flexibility during constrained periods; and exploring ways to enhance pipeline notices and services that better align with power system needs. The recommendations also suggested exploring options with gas index publishers and ICE that would better support stand-alone purchases during weekends and holidays.

Proposals addressing infrastructure challenges. The Reliability Alliance further identified infrastructure solutions as essential to the flexibility required by generators both today and tomorrow. The Alliance recommended that FERC and regional operators prioritize finding options for generators to financially support investment in gas infrastructure that provides the flexibility necessary to serve the electric grid reliably, especially during critical events. The recommendations also encouraged RTOs/ISOs and NERC to advocate for specific projects needed to enhance reliability and flexibility, particularly storage.

The Reliability Alliance said, “The challenges to meeting Real-Time Market dispatches largely occur during extreme weather, but we expect these challenges to become more common as RTOs/ISOs increasingly rely on natural gas-fired generators to dispatch on short notice in response to the variability of wind and solar generation.”

The full Reliability Alliance paper is attached under embargo and will be made public November 9.

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The Electric Power Supply Association, the Interstate Natural Gas Association of America and the Natural Gas Supply Association together represent companies that supply and transport natural gas and/or electricity in the United States. To learn more, visit www.epsa.org, www.ingaa.org and www.ngsa.org

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