WORKING TOGETHER FOR WINTER RELIABILITY

ENERGY DEMAND IS GROWING AND SO IS THE NEED TO ADDRESS VULNERABILITIES IN THE ENERGY SYSTEM

Prompted by recent extreme weather events, growing energy demand and a changing fuel mix, NGSA's and INGAA's members have acted to maintain natural gas's role as the reliable fuel that keeps the lights and heat on.

While the natural gas industry is taking concrete actions to improve operational reliability of its systems, others must also take action to ensure power generation preparedness and advance the building of sufficient natural gas infrastructure.

NECESSARY ACTIONS

CONGRESS

 Act on meaningful federal permitting reform enabling timely construction of infrastructure to meet rising energy demand and ensure gas system flexibility to support electricity generation.

REGIONAL POWER GRID OPERATORS (RTOs/ISOs)

As data centers dramatically ramp up demand, power generators will face heightened competition and constrained pipeline capacity that make it imperative to arrange their fuel supply in advance of extreme weather events. They must:

- · Limit last-minute calls on natural gas generators in the middle of an extreme event.
- Institute multi-day commitments in advance of storms or call on more reserves.
- · Improve forecasting.
- Immediately change any RTO market design that discourages advance purchases of natural gas prior to an extreme weather event.

- Make generators whole for their gas purchases when RTOs demand commitments but then do not call on generators to run.
- Find ways to support long-term investment in natural gas infrastructure (storage, LNG, pipelines), which will be essential to support regional generator needs.
- Designate critical gas infrastructure to prevent load shed of assets critical to power generation.

FEDERAL ENERGY REGULATORY COMMISSION (FERC)

Talk to gas generators about hurdles they face that prevent advance purchases of natural gas and long-term investment in gas infrastructure. (See *Reliability Alliance proposals*.)

Take steps to ensure the above RTO actions are in place to address those hurdles.

NATURAL GAS POWER GENERATORS

- Continue to pursue efforts within regional markets that facilitate advance planning that helps generators:
 - » Align natural gas supply portfolio with power obligations in advance of extreme weather.
 - » Limit reliance on interruptible supply.
 - » Rely more on natural gas market products that provide higher degrees of reliability and flexibility (e.g., call options, market area storage) that enable readiness if called to run in "real time" during a storm.
- Expand the pool of suppliers that you are pre-qualified to transact with to broaden market options during extreme events.

ACTIONS BY NATURAL GAS PRODUCERS, MARKETERS AND INTERSTATE PIPELINES

Since the extreme winter weather events in 2021 and 2022, our members have invested billions of dollars and worked to identify and address potential vulnerabilities in their operations, looking at infrastructure and coordination. Their efforts include:

- Significant physical improvements.
- Tailored weatherization measures.
- · Refinements to deployment and siting of workers.
- · Enhancements to communications.

See "NGSA Members Prepare to Withstand Extreme Winter Weather" fact sheet for a more detailed description of the many steps NGSA members have taken.

INGAA's members likewise analyzed recent winter weather events and took several steps to maintain their strong record of reliably delivering to customers in future storms, including:

- Voluntary winterization commitments to enhance their facilities' ability to withstand extreme weather.
- Proposed enhancements to the mandatory public postings regarding the operational conditions on interstate pipeline systems.

The Natural Gas Supply Association's members are major producers and marketers of natural gas in the United States. Visit www.ngsa.org to learn more.

INGAA

