



American  
Petroleum  
Institute



February 22, 2022

The Honorable Richard Glick, Chairman  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, D.C. 20426

Re: Reliability Technical Conference, Notice Inviting Post-Technical Conference  
Comments Docket No. AD21-11-000

Dear Chairman Glick:

The Natural Gas Council (NGC) writes to you today on behalf of those who produce, transport, and deliver U.S. natural gas across this country, to offer our industry's perspective on natural gas and electric reliability.

We appreciate the Commission's commitment to reliability by holding the September 30, 2021, Technical Conference, and your teamwork with the National Electricity Reliability Corporation (NERC) in assessing the underlying causes of cold weather outages in the final joint *February 2021 Cold Weather* report ("*Final Report*"). Like the Commission, the natural gas industry has made reliability a priority. We understand that a reliable electric system depends on a reliable natural gas system, not only during extreme weather events but also to support gas generation's critical role in our nation's transition to a lower emissions future. The NGC looks forward to engaging in a productive dialogue with the Commission, NERC, state officials, regional entities, and other industry participants to prioritize and address our most pressing challenges.

The natural gas industry has a long and exemplary track record of reliable performance and while Winter Storm Uri presented unforeseen challenges, we are confident that actions over the past year have put us in a stronger position to prevent a similar occurrence of the events captured in your *Final Report*. After Winter Storm Landon struck Texas recently, the Energy Information Administration found that there were no major declines in natural gas production or problems with natural gas-fired plants obtaining fuel supply deliveries.

We were pleased that the *Final Report* recognized the importance of two issues that together create a fundamental challenge in gas-electric coordination that the natural gas and power industries need to overcome: addressing infrastructure adequacy and reducing generator contracting risk by valuing reliability in power markets. Solving these challenges will allow us to serve more readily generator needs.

As the Final Report acknowledged: to better serve our customers, including power customers, it is critical to ensure adequate natural gas infrastructure. When pipeline capacity is constrained, gas generators lack the option of procuring more reliable firm services and pipeline companies do not have sufficient flexibility in their finite systems to provide the types of services that generators often require. As the Commission is fully aware, building new pipeline infrastructure can take many years given the time needed for advance planning, investment decisions, the certification process and actual construction. Given the significant lead time, we hope that this will be a priority issue so that we all have a better understanding and the foresight to understand what level of build-out will be needed in the future to serve power markets and how such projects can be supported.

The *Final Report* also emphasized the value of reliable contracting practices for critical generation, especially during extreme weather events, such as Winter Storm Uri. Unfortunately, current market designs in organized markets generally are not conducive to generators investing in long-term firm transportation and supply arrangements, yet reliability requires advance planning. To enable more advance planning, it will ultimately be up to the regional operators in organized markets to devise ways to better value reliability in their market design.

With strong engagement and input from all parties, we are confident that the gas-electric stakeholder forum that FERC intends to hold can lead to productive and effective outcomes in the policy areas that matter most to the success and reliability of both natural

gas and power markets. It will be important to prioritize those actions that will enhance the functioning of those markets – while weeding out concepts that have unintended market consequences or that reduce the reliability of service to any pipeline shippers.

Sincerely,

**The Natural Gas Council**



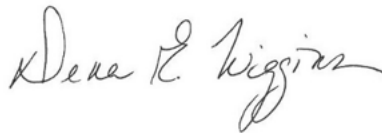
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CC: Commissioner Allison Clements  
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Commissioner James Danly  
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