



November 7, 2022

President Joseph R. Biden
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear President Biden:

On behalf of the members of the Interstate Natural Gas Association of America, and to supplement the October 27 letter addressed to you by Eversource President & CEO Mr. Joseph R. Nolan Jr., I am writing to further underscore the concerns raised by Mr. Nolan about the New England region's growing uneasiness about electric reliability and corresponding price spikes during cold winter months. I encourage your Administration to pursue a *long-term* solution that addresses the root cause of the region's long-standing electric reliability problems—a lack of adequate natural gas infrastructure—rather than focus only on short-term, “emergency” solutions that were neither intended nor designed to address systemic issues like those present in New England.

We agree with Mr. Nolan that New England will need natural gas to meet its power needs both this winter and into the foreseeable future, even as the region adds renewable energy. The experience of our member companies across the country demonstrates that growing renewable penetration in the electric sector requires *greater* deliverability of natural gas to backstop the inherent intermittency of renewable resources. Unfortunately, there is insufficient infrastructure connecting New England to domestic natural gas supplies and recent attempts to expand existing infrastructure at the request of local utilities and other energy users have been thwarted by misguided policies and vocal opponents to new infrastructure development. New England is facing a perilous winter season because of this stifling of new infrastructure development over the past decade. The desire to act now is compelling, and we understand the urgency behind Mr. Nolan's letter.

Emergency powers, however, are not a long-term solution to this problem. Executive emergency powers are meant to address short-term, unanticipated scarcity. Natural gas shortages and reliability concerns in New England are neither short-term, nor unanticipated.

As Mr. Nolan pointed out, ISO-New England and the Federal Energy Regulatory Commission have for many months called attention to the very real reliability issues likely to face the region in the coming winter months due to insufficient supply of natural gas. Gordon van Welie, President and CEO of ISO-New England wrote to Secretary of Energy Jennifer Granholm over the summer that, “[d]uring the coldest days of the year, New England does not have sufficient pipeline infrastructure to meet the region's demand for natural gas for both home heating and power generation.” This exact concern has been raised repeatedly over the past decade and, this

year, has been exacerbated by the Russian invasion of Ukraine and the spike in global demand for (non-Russian) LNG.

New England's reliance on imported LNG is not sustainable, and the negative consequences of overreliance on imported LNG can be avoided with additional natural gas pipeline infrastructure. This solution is especially compelling considering the region's proximity to the Marcellus shale production area, one of the most prolific natural gas supply basins in the world. Despite those facts, key policymakers and officials in the region have been unwilling to accept the role that natural gas plays, and will continue to play, in New England's energy mix and has led them to block the development of clearly needed new natural gas infrastructure.

Put simply, natural gas and its related infrastructure are a necessary part of any lasting solution to deliver clean, affordable, and reliable energy to New England homes and businesses. Natural gas maintains reliability when renewable resources, like wind and solar generation, are unable to perform as expected. As the North American Electric Reliability Corporation concluded, "natural gas is the reliability fuel that keeps the lights on, and natural gas policy must reflect this reality."

Policies that obstruct natural gas infrastructure development will continue to cause price spikes in a region already facing some of the highest prices in the nation. The natural gas futures contract price for winter 2022-2023 at Henry Hub—a trading point in a non-constrained region—is averaging \$6.82 MMBtu. By comparison, prices at Algonquin Citygate—a benchmark for New England—average \$23.57 MMBtu.

Such policies undermine the goals of a clean energy transition. In New England, pipeline constraints affect regional air emissions because ISO-New England has to run higher-emitting electricity generators when gas-fired units cannot access fuel or when the price of natural gas spikes. New England power plants generated an estimated 4.18 million metric tons of CO² in January 2022, up from 2.77 million metric tons in January 2021, with the region's heavier reliance on oil accounting for most of the difference.

This winter, more than ever, New England is at risk of an energy shortfall that will severely impact the people and businesses of the region. Next winter will come with even greater risks. And there does not need to be a prolonged cold spell for significant problems to arise. Just a few days of cold weather could wreak havoc on the region's power grid, and in New England, cold weather is to be expected.

A serious conversation about how to address the region's electric power needs must include the natural gas pipeline operators serving the region. Our infrastructure is the link between domestic natural gas production and downstream users, such as electricity generators and local gas utility companies. Domestic investment creates thousands of high-paying U.S. jobs and can provide households and businesses with additional disposable income from lower energy costs. INGAA and its membership are willing and ready to meet with affected and relevant stakeholders to discuss the important and necessary role that natural gas and its related infrastructure plays in the region to ensure electric reliability.

And while we do not believe the use of short-term emergency authorities will lead to a sustainable solution, if Secretary Granholm convenes such a group, interstate natural gas pipelines must be part of the conversation.

Respectfully,

A handwritten signature in blue ink, appearing to read "A Andryszak".

Amy Andryszak
President & CEO
Interstate Natural Gas Association of America

CC: Ron Klain, White House Chief of Staff Secretary
Jennifer Granholm, USDOE
Secretary Pete Buttigieg, USDOT
Secretary Alejandro Mayorkas, USDHS
Secretary Martin Walsh, USDOL
Gordon Van Welie, ISO-NE
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