



NEWS RELEASE

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Determining the pipeline capacity needed to ensure reliability key to gas-electric integration: INGAA

WASHINGTON— Don Santa, president and CEO of the Interstate Natural Gas Association of America, today released the following statement in response to discussion at today's Federal Energy Regulatory Commission meeting on gas-electric reliability:

“We appreciate FERC’s increasing recognition of the importance of natural gas-electric power integration, and its acknowledgment that this is a complex issue that likely will require a multi-year initiative. We agree and urge FERC and the North American Electric Reliability Corporation to take a leadership role in promoting solutions. Industry negotiations, however earnest, seem unlikely to achieve desired results without the guidance that these regulators can provide.

“Determining the amount of pipeline capacity needed to ensure electric reliability – and who will hold and pay for that capacity – are the central questions that must be addressed. The rules governing wholesale power markets will need to be reconciled with these determinations. The interstate natural gas pipeline industry has a proven track record of building infrastructure and providing services when the needs of the market are expressed by customers willing to reserve and pay for pipeline capacity.

“While there is merit to addressing opportunities for improving communications and scheduling, it is unrealistic to believe that these efforts alone will ensure that natural gas generators can operate reliably under any circumstances.”

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INGAA is the North American association representing the interstate and interprovincial natural gas pipeline industry. INGAA’s members operate approximately 200,000 miles of pipelines, and serve as an indispensable link between natural gas producers and consumers.