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## **Natural Gas Council Asks FERC to Lead Effort Examining Gas-Electric Coordination and Market Rules Affecting Reliability**

Washington, D.C. – The Federal Energy Regulatory Commission (FERC) should examine the coordination of the natural gas and electric sectors and determine if market rules properly optimize the ability of the natural gas industry to offer, and the electric power industry to purchase, the supply, transportation and storage services necessary to ensure electric reliability, according to comments filed at the Commission today by the Natural Gas Council (NGC). The Council collectively represents nearly all the companies that produce, transport and deliver clean, affordable, natural gas throughout the United States.

*“The natural gas industry is prepared to meet the needs of future power demand,”* the Council said, citing the immense size of the natural gas resource base, its history of reliability, abundant storage and a robust pipeline network that carries gas to consumers.

*“Strong FERC leadership is needed to set a comprehensive, coordinated and continued course of action,”* the Council said in its comments. *“FERC should work to ensure that natural gas and electric policies promote reliability for all customers – gas and electric.”*

According to the NGC, *“With greater reliance on natural gas for electricity generation, FERC must address whether the market rules governing wholesale natural gas and electric power markets optimize the ability of the natural gas industry to offer, and the electric power industry to purchase, the natural gas supply, transportation and storage services needed to ensure the reliability of the electric power grid.”*

NGC members cited differing approaches to contracting for pipeline transportation as an area in which FERC could play a leadership role. *“The price bidding structure within RTOs generally does not place an adequate value on the electric reliability achieved by retaining firm pipeline capacity,”* they wrote.

The North American Electric Reliability Corporation (NERC) and the North American Energy Standards Board (NAESB) also can play important roles, the Council said, with FERC’s leadership in setting policy guidance; NERC assessing reliability; and NAESB setting standards.

The Council concluded, *“Members of the Natural Gas Council look forward to being part of a constructive dialogue on gas-electric issues.”*

The full Natural Gas Council position statement filed at FERC follows.

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*The Natural Gas Council collectively represents nearly all companies that produce, transport and distribute natural gas consumed in the United States. It includes members of the American Gas Association, America’s Natural Gas Alliance, the Independent Petroleum Association of America, the Interstate Natural Gas Association of America and the Natural Gas Supply Association.*