



PRESS RELEASE

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GIVE FERC/NERC RESPONSIBILITY TO ENSURE INTERSTATE NATURAL GAS PIPELINE CAPACITY FOR RELIABILITY OF NATURAL GAS AND ELECTRICITY SUPPLY

WASHINGTON, DC – Today, IECA sent a [letter](#) to the Chairmen and Ranking Members of the Senate Committee on Energy and Natural Resources and the House Committee on Energy and Commerce, urging them to give the Federal Energy Regulatory Commission (FERC) the responsibility to ensure that there is adequate interstate natural gas pipeline capacity for reliability of natural gas and electricity supply.

Paul Cicio, President and CEO of IECA stated:

Today, no federal agency has the responsibility for reliability or knows what pipelines are running at peak demand. Without ensuring that pipeline capacity is available, lives are at risk, as well as our nation's economic and national security. We are already experiencing regional energy scarcity. Numerous pipelines are expected to issue operational flow orders and curtailments this winter, substantially increasing costs to manufacturing companies.

For example, the Transco Pipeline Zone 5 (South Carolina, North Carolina, Virginia), the January 2022 contract for Henry Hub natural gas will cost manufacturers approximately \$9.00/ MM Btu plus firm pipeline transportation costs of \$15.00 MM Btu for a total of \$24/MM Btu. This is a pipeline capacity scarcity premium that will only get worse unless there is more pipeline capacity.

Furthermore, the NERC cannot fulfill its mandate to ensure electric reliability unless there is adequate pipeline capacity for natural gas-fired generation, which is being used to displace coal-fired power generation units because new storage technologies are not at scale to provide load balancing. Natural gas-fired generation is crucial to the transition to a low carbon electricity future.¹

The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with \$1.1 trillion in annual sales, over 11,700 facilities nationwide, and with more than 1.8 million employees worldwide. It is an organization created to promote the interests of manufacturing companies through advocacy and collaboration for which the availability, use and cost of energy, power or feedstock play a significant role in their ability to compete in domestic and world markets. IECA membership represents a diverse set of industries including: chemicals, plastics, steel, iron ore, aluminum, paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, building products, automotive, brewing, independent oil refining, and cement.

¹ NERC Report, State of Reliability, July 2022,
https://www.nerc.com/pa/RAPA/PA/Performance%20Analysis%20DL/NERC_SOR_2022.pdf