Obstacles to Addressing the United States' Pipeline Capacity Constraints

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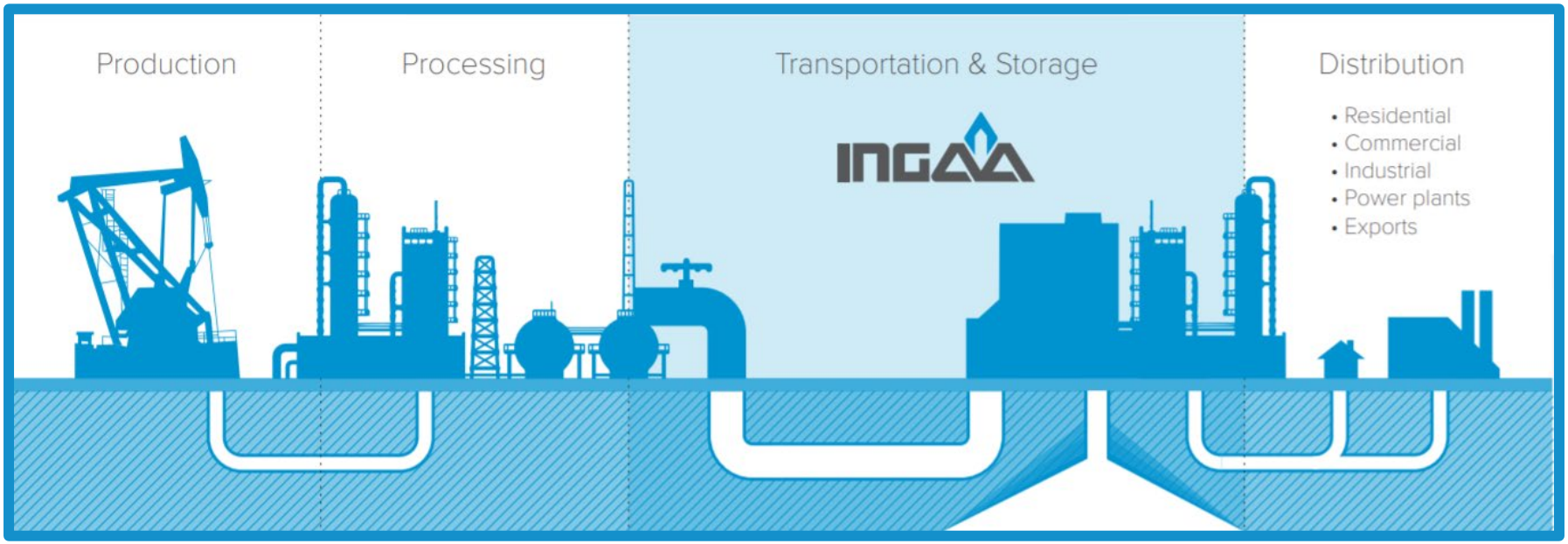
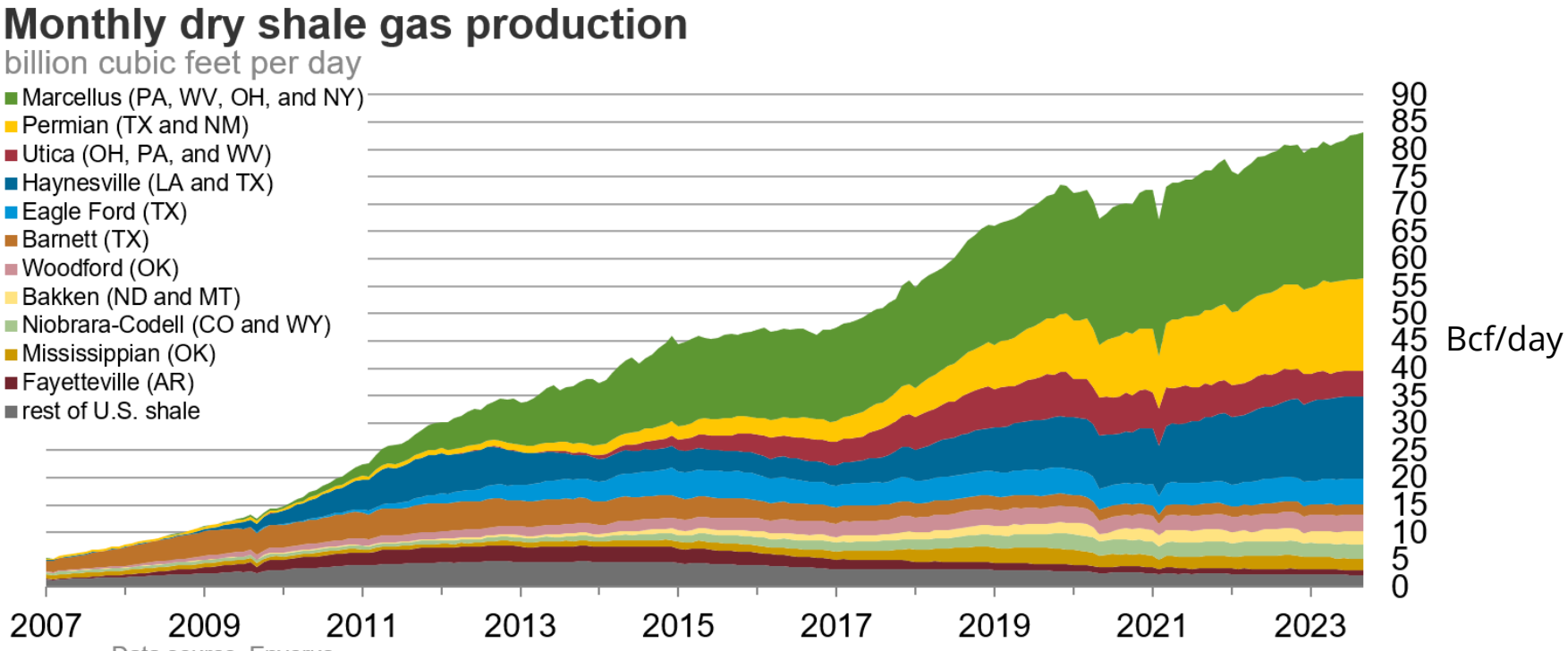
Who is INGAA?

INGAA is the federally focused trade association for the interstate natural gas transmission pipeline industry. INGAA is made up of 26 members representing the vast majority of the interstate natural gas transmission system in the U.S. and Canada, operating almost 200,000 miles of pipeline.



Abundant Natural Gas Supply



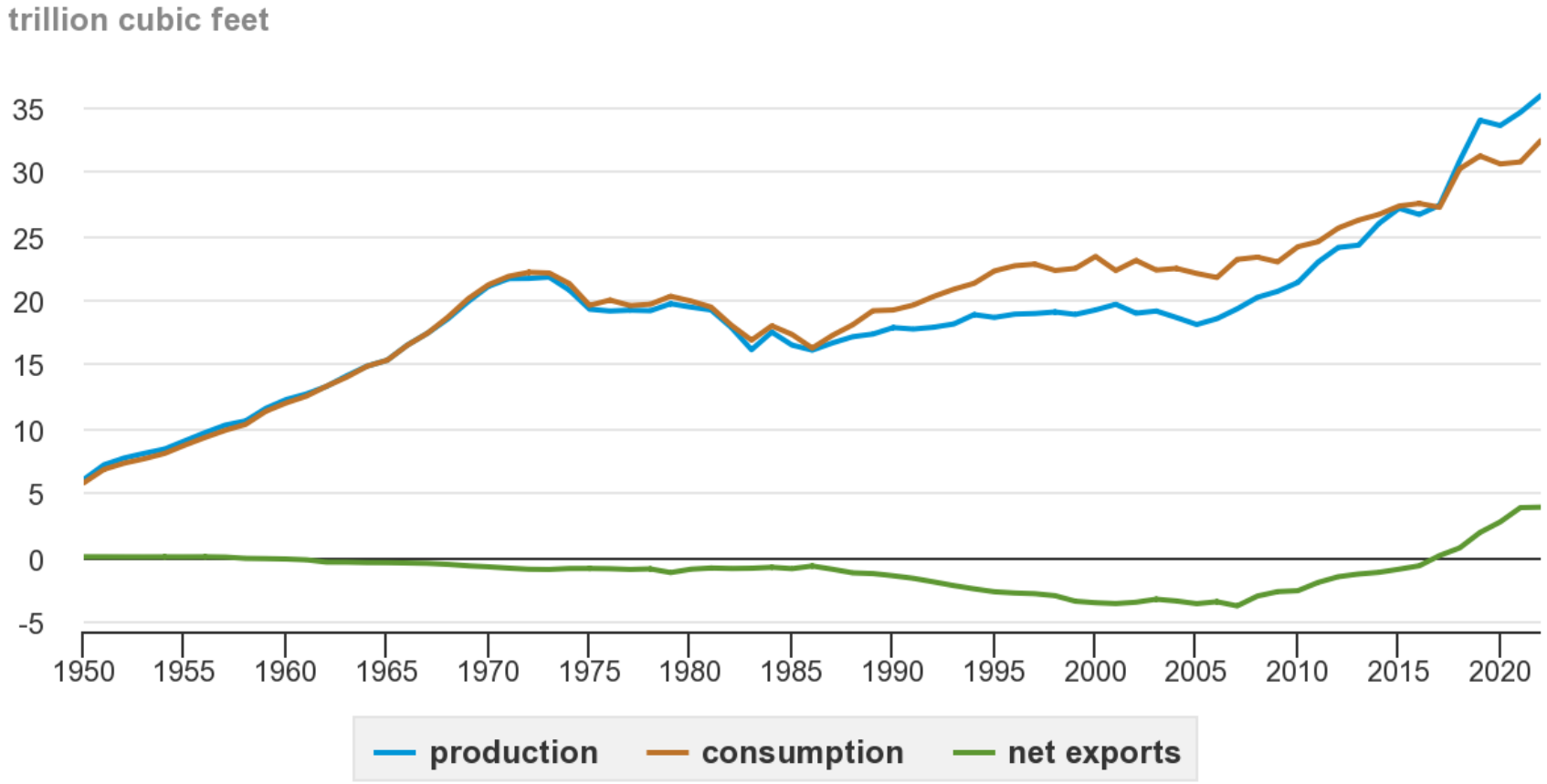
Data source: Enverus

Note: EIA derived these tight oil estimates from Enverus state administrative data. Data are through September 2023. These data are not survey data. State abbreviations indicate the primary states where the plays are located. As of the October 2023 publication, EIA has improved its play and well identification methods, which has altered production volumes at various plays and has shifted classification of some wells from *tight* to other *non-tight* categories. Because EIA has changed the geologic model it uses to determine formation-level production of the three main oil-producing formations in the Permian Basin—Wolfcamp, Spraberry, and Bonespring—current and historical volume estimates have changed.

PA=Pennsylvania, WV=West Virginia, OH=Ohio, NY=New York, TX=Texas, NM=New Mexico, LA=Louisiana, OK=Oklahoma, ND=North Dakota, MT=Montana, CO=Colorado, WY=Wyoming, AR=Arkansas

Abundant Natural Gas Supply

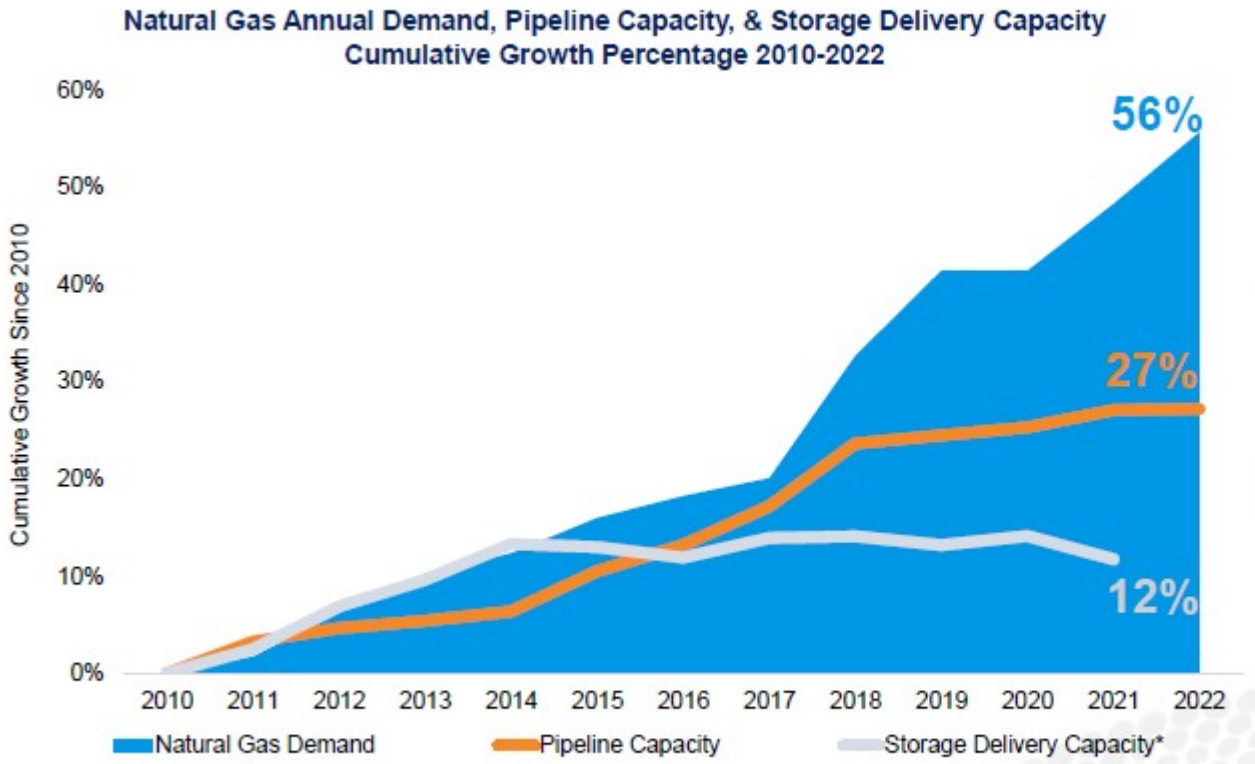
U.S. natural gas consumption, dry production, and net exports, 1950-2022



Data source: U.S. Energy Information Administration, *Monthly Energy Review* , April 2023; data for 2022 are preliminary

Pipeline, Storage Capacity Not Keeping Up With Demand

The growing need for reliable infrastructure investment



Since 2010 demand for gas has grown by **56%** while infrastructure to deliver gas has increased by **27%**

Storage delivery capacity has been steady or declining since 2014, while consumption of gas has grown over **40%**

Sources: S&P Global Commodity Insights and U.S. Energy Information Administration (EIA) *EIA 2022 storage delivery capacity not yet released

Costly Legal and Regulatory Challenges Jeopardizing U.S. Critical Infrastructure

INGAA
Interstate Natural Gas Association of America

Impacts of Cancelled Interstate Natural Gas Pipeline Projects (2013—2021)

5B
CUBIC FEET
Additional natural gas capacity lost per day

25.5M
HOMES
Cancelled capacity could have helped serve 25.5M homes each day

$11.23
BILLION
Lost investment due to permitting delays and challenges

40,000+
Total projected jobs lost, including union jobs

Reasons for Project Cancellations

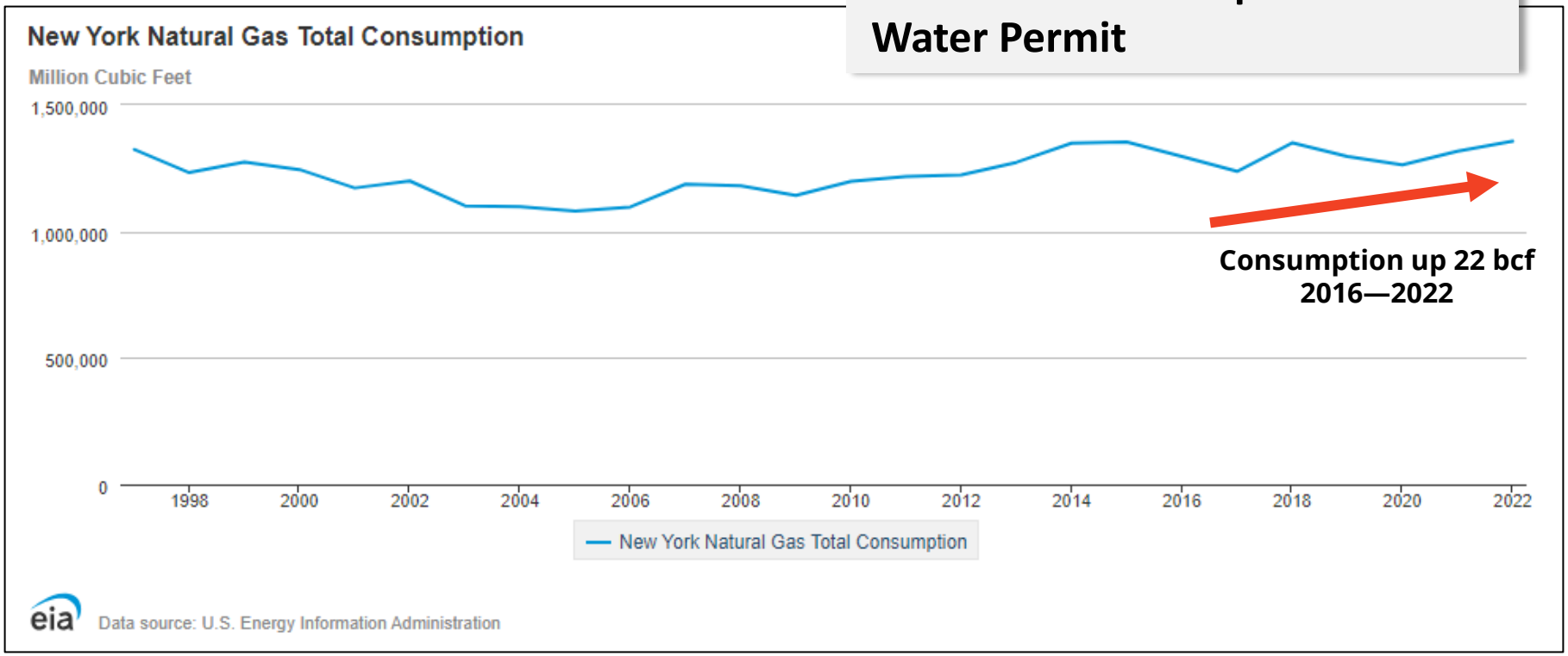
- Costly legal challenges
- Inability to obtain state certifications/permits
- Lengthy schedule delays

***Projects cancelled or deemed unviable after receiving their FERC Certificate due to permitting challenges include:** Atlantic Coast Pipeline, Constitution Pipeline, Northeast Energy Direct Pipeline, Northeastern Supply Enhancement, and PennEast Pipeline.

New Yorkers Need Gas Too

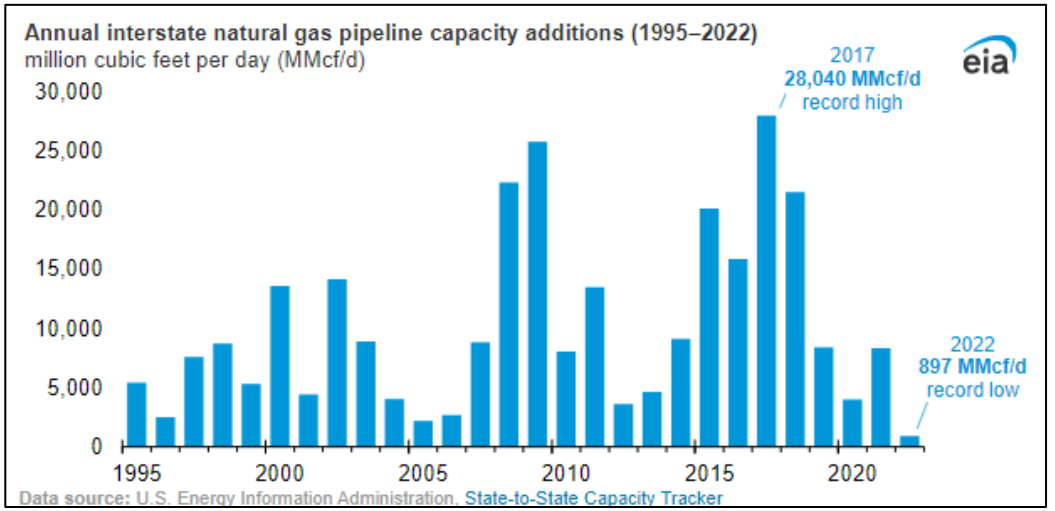
Bloomberg

Constitution Gas Pipeline Denied Water Permit

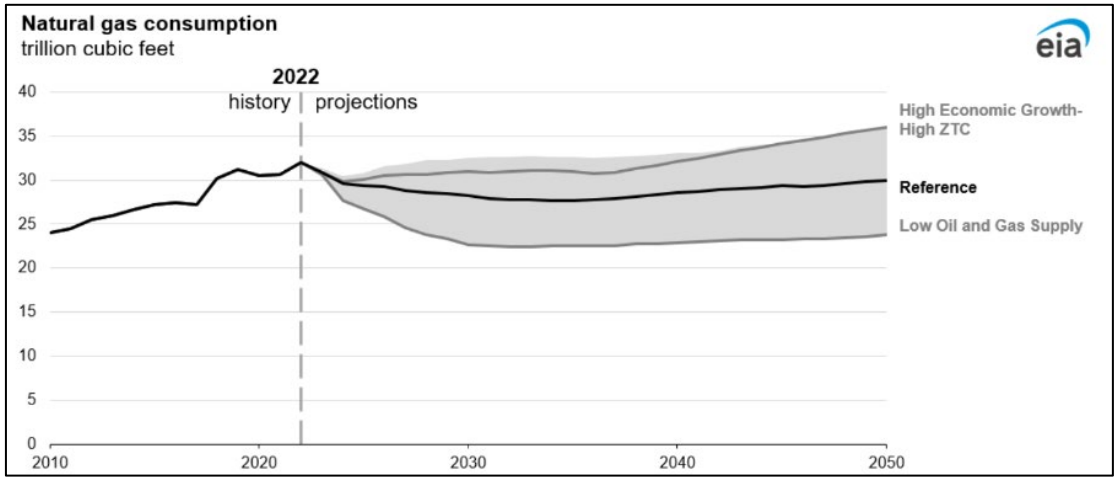


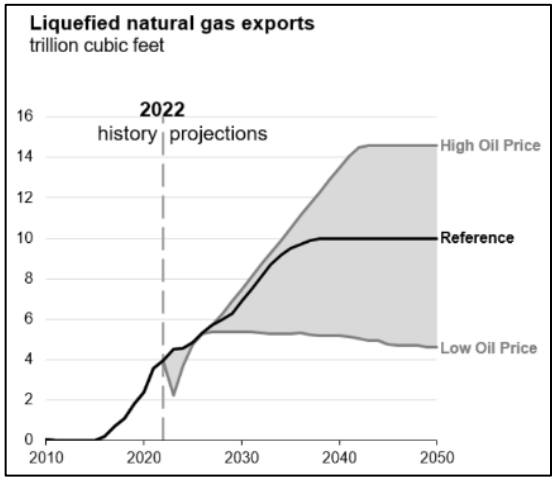
Natural Gas Demand Remains High, Infrastructure Lags

2022 saw record low U.S. interstate natural gas pipeline additions…



Despite domestic demand and global exports remaining high through 2050.





Data source: U.S. Energy Information Administration, *Annual Energy Outlook 2023* (AEO2023)
Note: Shaded regions represent maximum and minimum values for each projection year across the AEO2023 Reference case and side cases.

These Challenges Could Be Solved

ISO new england

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About Us > What We Do > In Depth

What We Do

- We Are ISO New England
- Our Three Critical Roles
- Our History
- In Depth

Natural Gas Infrastructure Constraints

During the last few years, inadequate infrastructure to transport natural gas has at times affected the ability of natural-gas-fired plants to get the fuel they need to perform. This energy-security risk has become a pressing

The performance of the largest and most flexible sector of

Access to Fuel Has Become Uncertain during Winter

During many recent winters, regional gas utilities have been using most, if not all, of the capacity on the pipelines that carry natural gas into New England. This is particularly true during very cold periods when heating demand is high. This leaves very little to no pipeline capacity for electric generators, which creates a number of concerns for the power system:

- **Reliability risks:** Because such a large and still growing quantity of the region's generating capacity uses natural gas (learn more at Key Stats—Resou… Mix), its unavailability (a…

Pipeline Development Hasn't Kept Pace with Demand

Energy-security risks may be more acute in New England than in most other regions because New England is "at the end of the pipeline" when it comes to natural gas and the other fuels used most often to generate the region's power. New England has no indigenous fossil fuels and therefore, fuels must be delivered by pipeline, ship, truck, or barge from distant places. Additionally, the natural gas pipeline system

INGAA

FERC & Permitting Challenges

Commissioner Phillips

Commissioner Danly
Departure expected at the end of 2023

Commissioner Clements

Commissioner Christie

Other Permitting Challenges

The Biden Administration has adopted an all-of-government approach to addressing climate change. As a result, agencies other than FERC have taken actions which significantly increase pipeline risk.

- [X] **CEQ Regulations**
- [X] **Clean Water Act 401**
- [X] **Clean Air Act**

Mountain Valley Pipeline Illustrates Challenges

AP

Supreme Court allows construction to resume on the Mountain Valley Pipeline

REUTERS

Equitrans Midstream reaches agreement with US regulator for Mountain Valley Pipeline

The Washington Post

Mountain Valley Pipeline construction resumes in Virginia

UTILITY DIVE

Mountain Valley Pipeline delayed; cost rises to $7.2B

Bloomberg

Manchin Vows Mountain Valley Pipeline Completion After Delays Announced

Ways to Address Obstacles to Pipeline Expansion

Permitting reform

FERC

- Full complement of commissioners
- Support need for infrastructure projects

Public messaging

- Continued need for natural gas
- Role of natural gas in our energy future