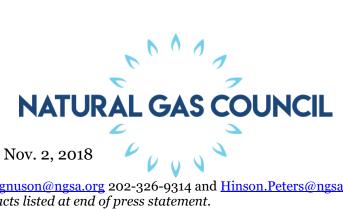
NEWS



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Natural Gas Council Statement on PJM Fuel Security Analysis

Washington, **D.C.** – The Natural Gas Council (NGC), which represents the companies that collectively include nearly all aspects of the production, transportation, sales and delivery of the nation's natural gas network, issued the following statement regarding PJM's new study, Fuel Security: Analyzing Fuel Supply Resilience in the PJM Region:

"We are pleased that PJM concluded that its system can remain reliable, even under the most extreme scenarios. Furthermore, we agree that it is important to periodically assess the capability of the system to accommodate unexpected events.

"We encourage PJM to assess the risks associated with the limited availability of other fuel sources and not primarily focus on the possibility of natural gas pipeline disruptions. A broader and detailed look at the impact of extreme cold weather on the availability and ability of other fuels to perform would provide a more accurate picture of regional grid vulnerabilities and resilience for policymakers.

"We hope that efforts will be made in the next phase of PJM's study to ensure that market rules aren't formed in reaction to these extreme hypothetical scenarios, which were developed solely to stress test the system's breaking point. PJM should consider the low probability of these "tipping point" scenarios when establishing its market rules going forward.

"We are proud of the natural gas industry's proven capability to work around pipeline disruptions, if they occur, due to the flexibility and the interconnectedness of the natural gas system. Because of this unique interconnectedness, bolstered by fail-safes and redundancies in the natural gas system, incidents affecting our supply and infrastructure do not lead to cascading, widespread outages.

"PJM is to be praised for including natural gas stakeholders in the development of its study. We look forward to working with PJM as it moves forward in assessing whether actions should be taken to further bolster fuel security. We are committed to reliability and security and will do our part to continue to improve and strengthen the resilience of the grid."

For further information, see the <u>Natural Gas Council's August 9th written comments to PJM on</u> its valuing fuel security initiative.

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The Natural Gas Council was formed in 1992, uniting all sectors of the natural gas industry to work together toward common goals. The five full members of the Council -- the American Gas Association, the American Petroleum Institute, the Interstate Natural Gas Association of America, the Independent Petroleum Association of America and the Natural Gas Supply Association -- collectively represent nearly all the companies that produce, transport and distribute natural gas consumed in the United States. Leadership of the NGC rotates annually, with the Natural Gas Supply Association leading the Council in 2018. www.naturalgascouncil.org

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