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Disclaimer: These are my opinions only.



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Statement of the case

- Currently, natural gas ranks first in providing fuel resources for power generation, and power generation is its largest market.
- Our electricity system has benefited by bolstering customer affordability and improved ambient air quality relative to competing fossil energy resources.
- Over the last 20 years, this interdependence has doubled. But with that interdependence, our needs for attention and responsiveness have increased.

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Power Generation's Reliance on Natural Gas Will Continue

- Driven by clean energy, resource development and climate imperatives, our country's power generation fleet and resource mix are currently undergoing massive change, seeing increased penetration of renewables and distributed generation.
- Even so, our use of natural gas will continue as demand varies to accommodate variations in load and generation that will be seasonal, monthly, daily, and even hourly. Gas will play a critical role to ensure electric-system reliability with these other energy resources.

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Winter Storms Uri & Elliott Were Wake Up Calls

- Winter Storm Uri revealed weaknesses between the natural gas supply infrastructure system and the electric power systems, jeopardizing electric reliability and resulting in multiple deaths and severe economic damage.
- The FERC/NERC Staff Uri report in November 2021 cited the disruption of natural gas supplies as the second root cause of the outage, after the weather.
- The October 2023 NERC/FERC Staff report on Winter Storm Elliott provides little comfort: since 2011 our country has experienced 5 power outages, where 3 have been attributed, at least in part, to failures of gas supply.

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Power Generation's Reliance on Gas Will Likely Grow, Along with Risks

- At the time of Uri, natural gas represented 38 percent of power generation's fuel.
- Today, that number is 43 percent, so our demand for gas has escalated during the last 3 years since Uri.
- Owing to data center proliferation and re-onshoring of manufacturing, current forecasts call for a dramatic escalation in electricity demand in some parts of the country.
- As our gas/electric interdependency continues to grow, so do the risks and consequences of failure.

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"Gas Market Updates"