

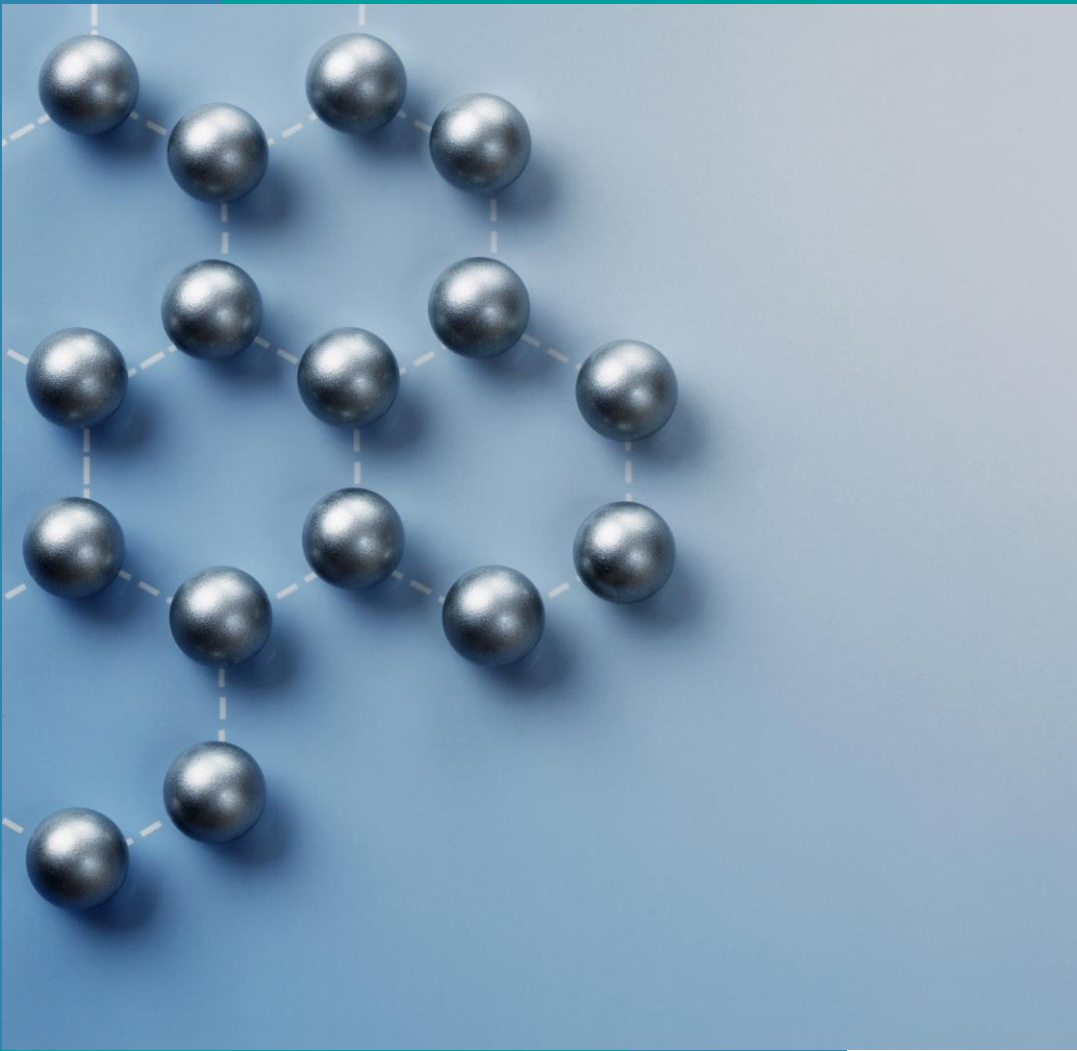
May 18, 2022



# New England Natural Gas Developments

ISO-NE Planning Advisory  
Committee (PAC)

Charles Crews, President & CEO  
Northeast Gas Association



# Topic Areas

- Recent Winter
- Infrastructure Developments
- Regional Developments
- Electric & Gas Coordination

# Northeast Gas Association

*Educating the Public on the role Natural Gas can Responsibly Play in the Region's Ambitious Clean Energy Transformation*

- Leading Energy Trade Association
- Serves New England, NY, NJ, and PA
- Parent to NYSEARCH RD&D Affiliate
- Membership includes 35 Local Energy Companies
- LNG Importers, Suppliers and Transporters
- CNG Suppliers
- 400 Associate Members (Vendors/Contractors)

**Focusing On  
The Future**



## NGA'S ANTITRUST COMPLIANCE PROCEDURES

*Adopted by the NGA Board of Directors on June 20, 2018*

### Objective

The Northeast Gas Association (NGA) and its member companies are committed to full compliance with all laws and regulations, and to maintaining the highest ethical standards in the way we conduct our operations and activities. Our commitment includes strict compliance with federal and state antitrust laws, which are designed to protect this country's free competitive economy.

### Responsibility for Antitrust Compliance

Compliance with the antitrust laws is a serious business. Antitrust violations may result in heavy fines for corporations, and in fines and even imprisonment for individuals. While NGA's attorneys provide guidance on antitrust matters, you bear the ultimate responsibility for assuring that your actions and the actions of any of those under your direction comply with the antitrust laws.

### Antitrust Guidelines

In all NGA operations and activities, you must avoid any discussions or conduct that might violate the antitrust laws or even raise an appearance of impropriety. The following guidelines will help you do that:

- **Do** consult counsel about any documents that touch on sensitive antitrust subjects such as pricing, market allocations, anti-employee poaching practices, refusals to deal with any company, and the like.





# Recent Winter

# New England Winter Season: In Brief

- No Extended Cold Periods or Dramatic Weather
- **Peak Day:** January 15<sup>th</sup> at 4 Bcf
- **Pipelines Operated Well** with Steady Demand Reported
- OFOs in Place Throughout Season **Keeping Systems in Balance**
- LNG Facilities Operated Fine
- Five Monitoring Calls with NGA Gas Supply Task Force: **No Actions Needed**
- Regular Communications Held with Regional ISOs/RTOs, and NPCC

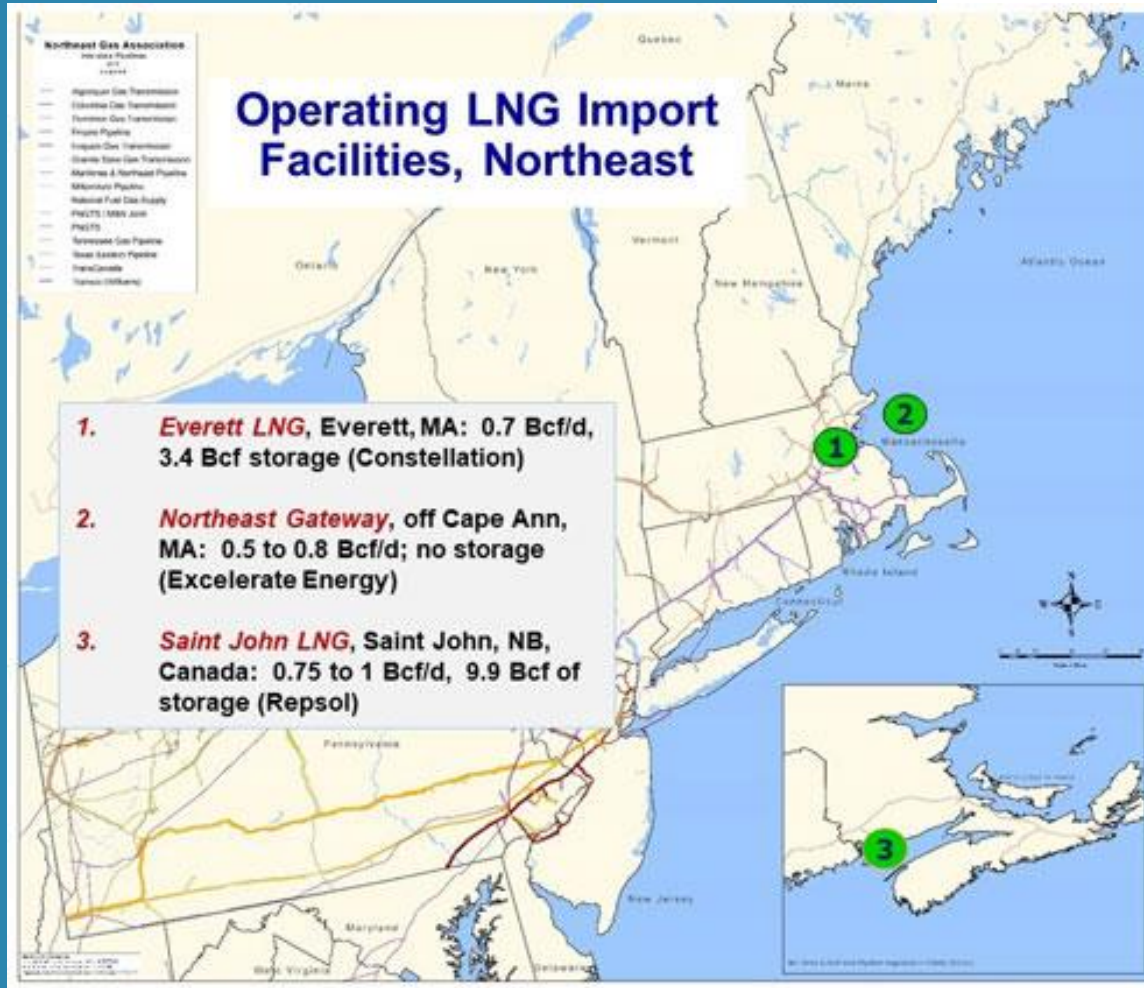
New England, Heating Degree Days,  
Nov. 2021 - March 2022



Source: NOAA, April 2022

# LNG Imports from Three Facilities

- All 3 Operating Import Facilities Brought in Cargoes in Early 2022 to help Meet Winter Demand
- Looking Ahead to Next Winter, the Demand and Price in Europe will Likely Draw Available Spot Cargoes
- Importance of Firm Contracts

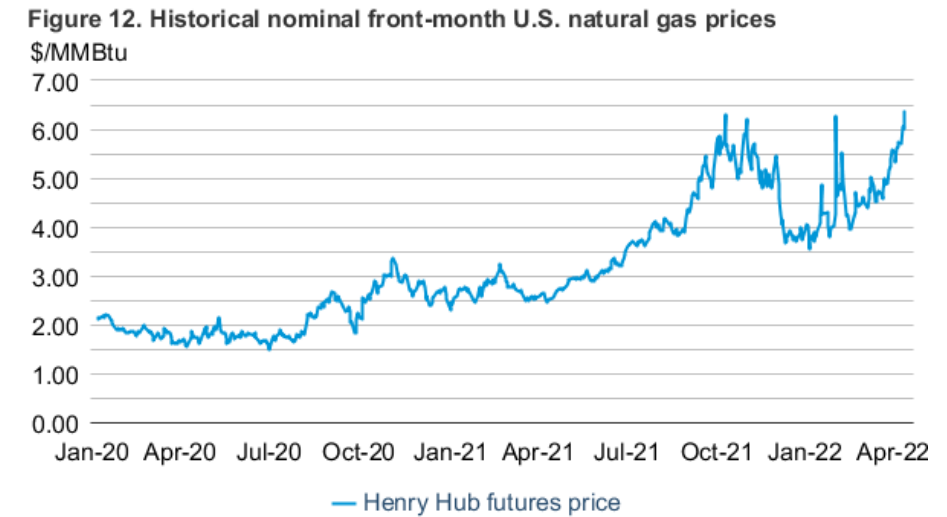




# Elevated Commodity Price

“Due to constrained pipeline capacity into New England, segments of the region's pipelines often reach their maximum capacity in winter. Prices at Algonquin Citygates frequently reflect winter scarcity as well as the region's reliance on LNG imports to supplement pipeline supplies.”  
- FERC, April 2022

Chart: U.S. EIA, 4-12-22

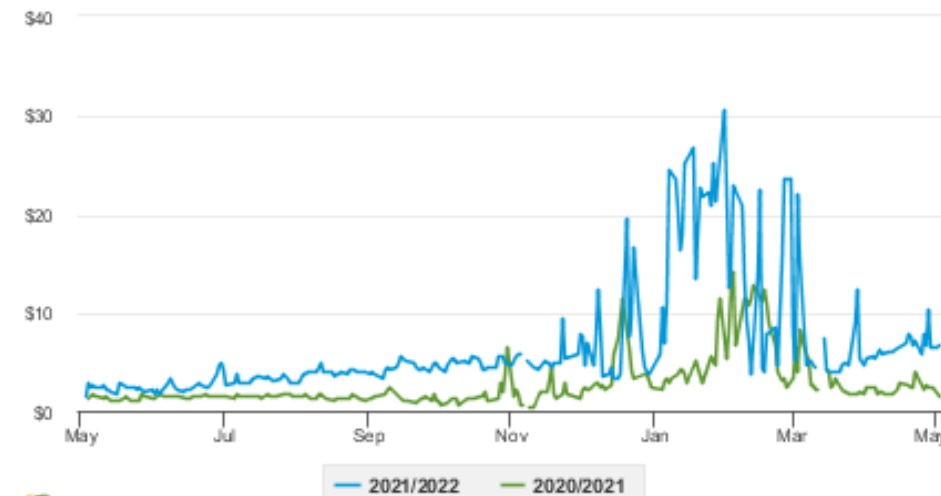


eia Source: Based on data from CME Group, as compiled by Bloomberg L.P.

## Daily spot price of natural gas at the Algonquin Citygate

(Click and drag in the plot area to zoom in)

dollars per million British thermal units



eia Source: S&P Global Market Intelligence

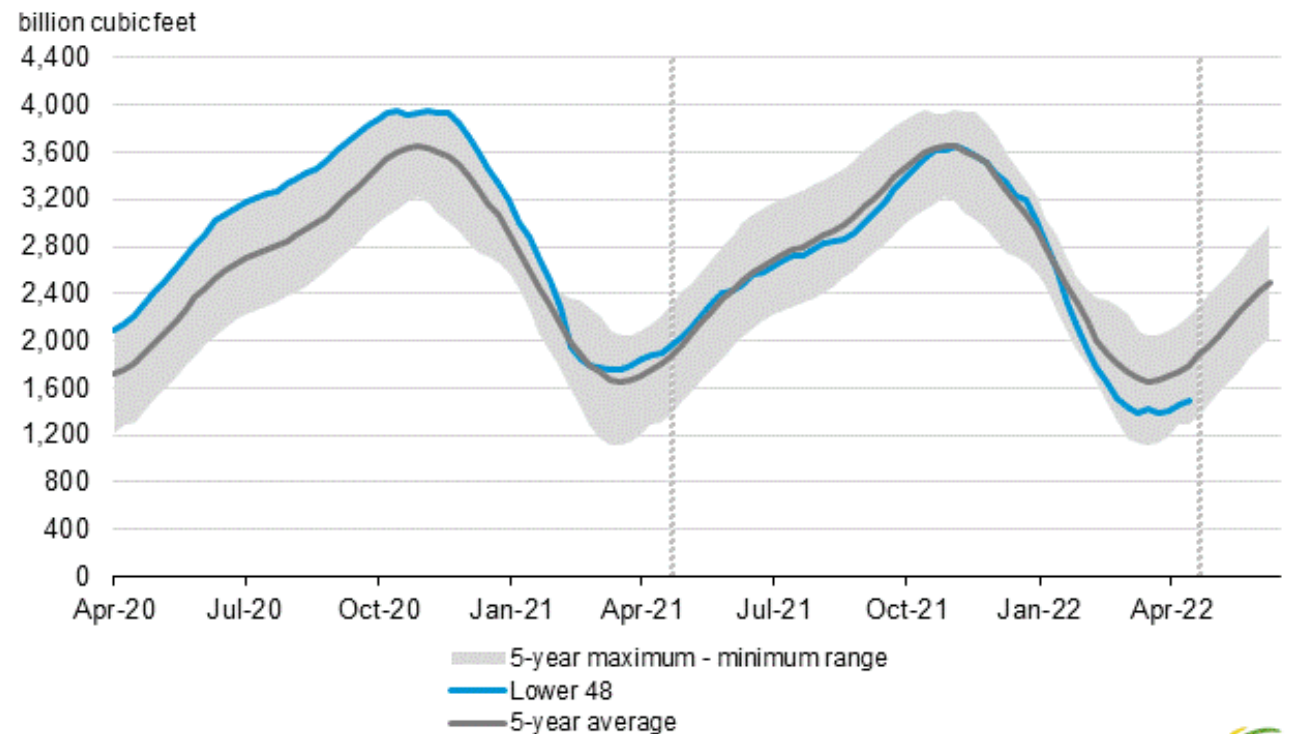
Chart: U.S. EIA, 5-4-22



# National Storage Position: Lower Than Average

EIA, April 2022: “Following a slow start to the 2021–22 heating season, a sustained period of colder-than-normal temperatures throughout much of the Lower 48 states, beginning in January 2022, contributed to high natural gas demand in the residential and commercial sectors for space heating and to increased demand for natural gas in the electric power sector...These increases in natural gas demand during the heating season more than offset the 4.5 Bcf/d increase in natural gas production over year-ago levels.” **Natural gas consumption was 5.6% higher than in the 2020–21 heating season.**

Working gas in underground storage compared with the 5-year maximum and minimum



Source: U.S. Energy Information Administration



As of week-ending April 29, stocks were at 1.56 trillion cubic feet (Tcf), which is **16% lower than the five-year average**. East region stocks are 21% lower.

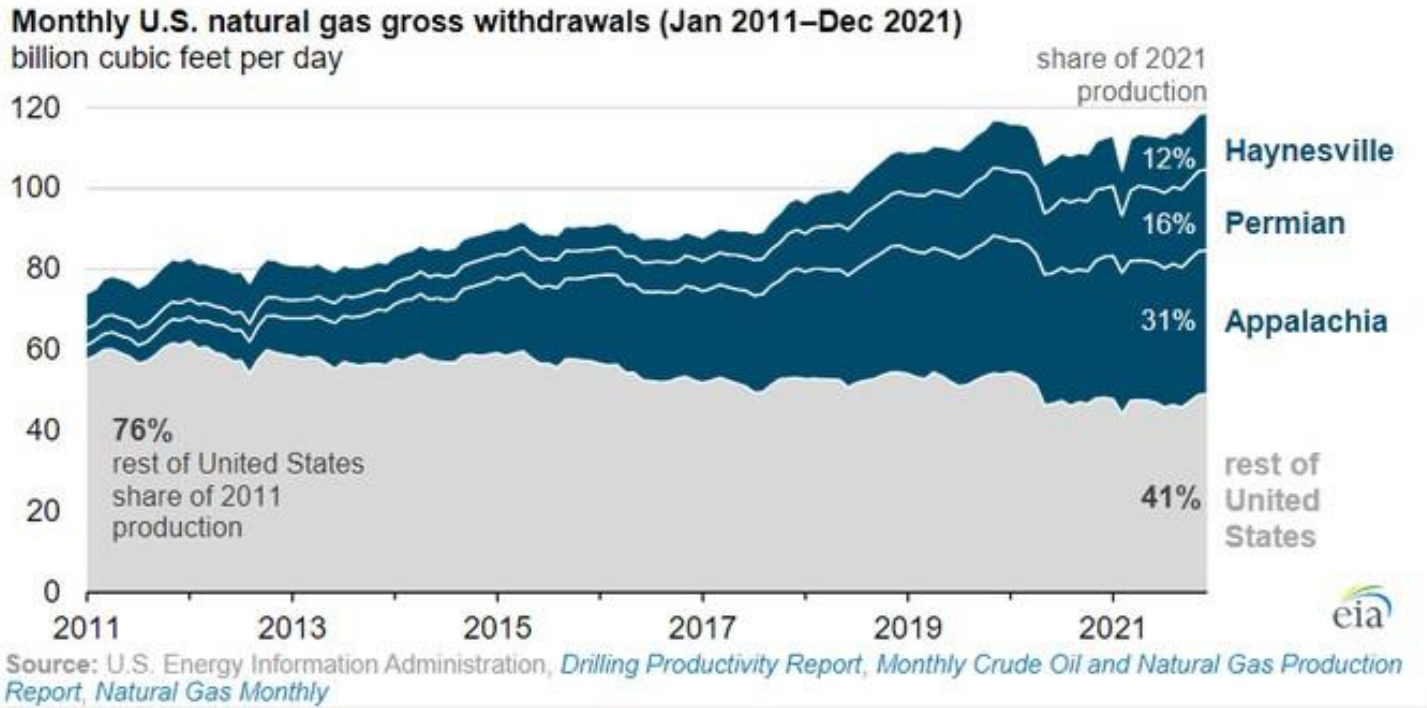


Chart: U.S. EIA, April 2022

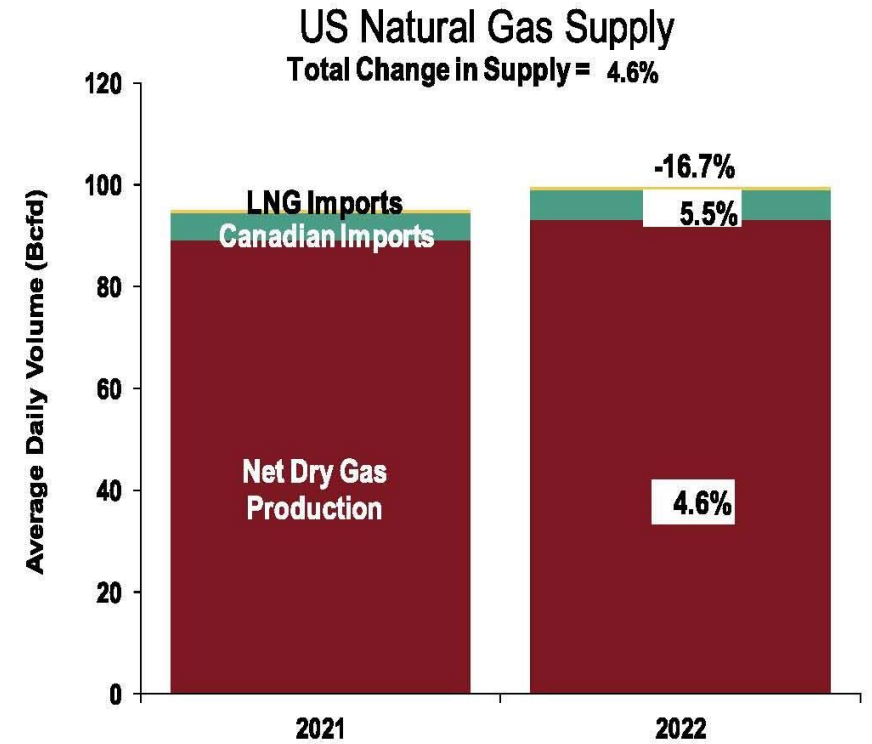


Chart: FERC, March 2022

# U.S. Production Sets New Record

U.S. dry natural gas production in 2021 set a new record of 34.2 trillion cubic feet (Tcf), exceeding the previous record set in 2019 (33.9 Tcf). The Appalachian region remains the most productive supply area (see chart on left). The chart on the right shows total supply, comparing this year to last. Increased supply availability, including a slight increase in pipeline imports from Canada.



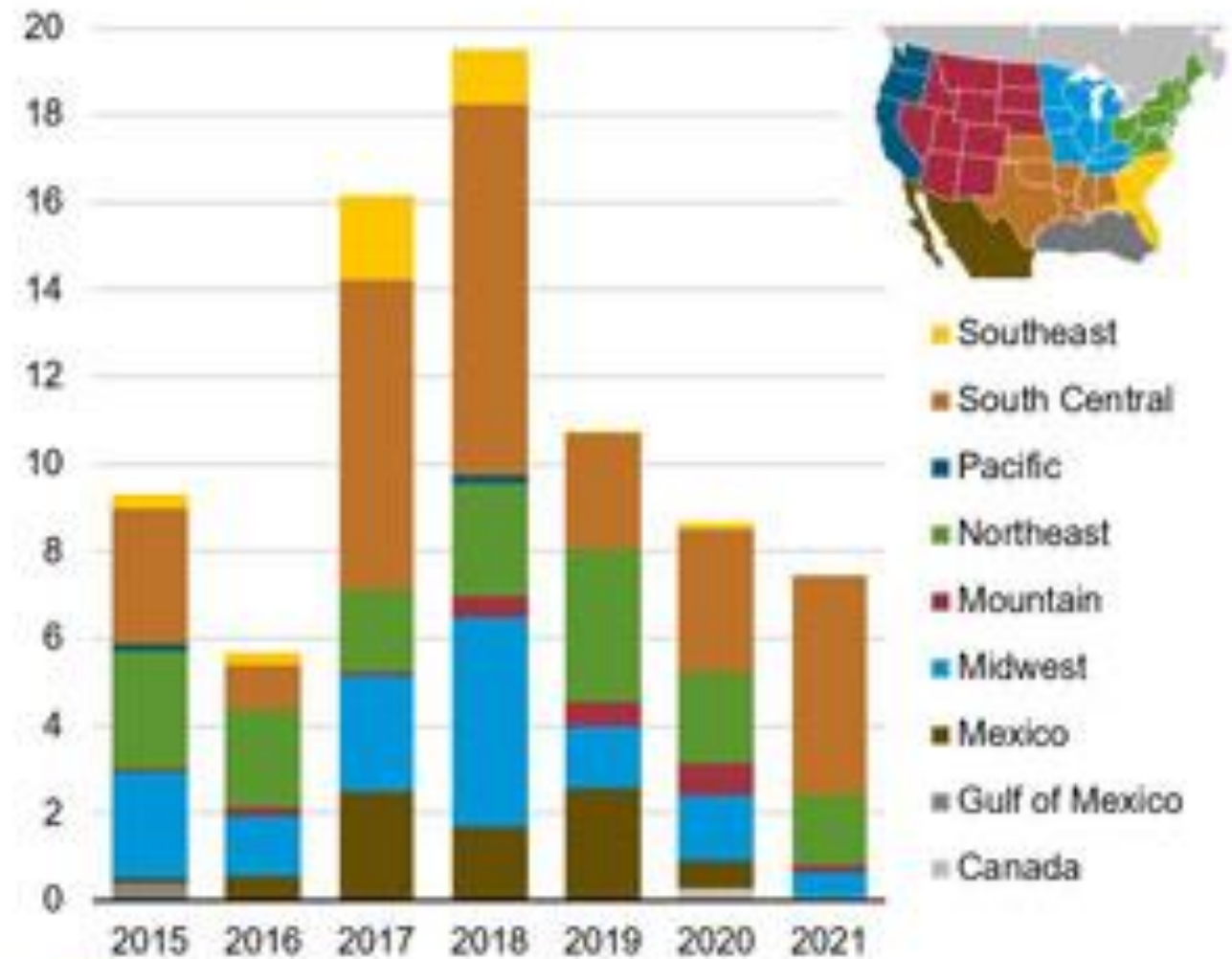
# Infrastructure Developments

# Recent In-Service Projects

## *2021 In-Service Projects, New England:*

- Tennessee: “Station 261 Upgrade” [Phase 2]
- PNGTS: “Westbrook XPress” [Phases 2 & 3]

Interstate pipeline capacity additions into regions, 2015–2021  
billion cubic feet per day

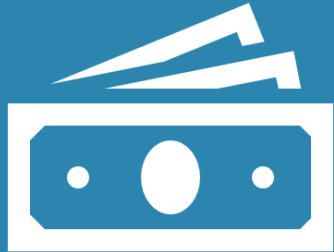






# Regional Developments

# Market Trends and Public Safety



## Leaders in U.S. Gas Efficiency Investments

\$593 Million in 2020

Equal to **40%** of U.S. Total of \$1.5 Billion

## Natural Gas Demand

New England Homes  
Fuel Type %

Natural Gas:	40%
Heating Oil:	35%
Electricity:	14%



## Decarbonizing The Natural Gas Network

Efficiency Investments  
Renewable Natural Gas  
Hydrogen Blending  
Modernizing Infrastructure

## Public Safety Awareness

Online Training Program  
for First Responders  
LNG Safety Program  
MA State Firefighting  
Academy



# Gas and Electric Coordination



- Coordination in New England has been Effective over Many Years
- Increased Communication and Understanding Remain Essential
- **System Reliability** remains a Primary Focus given Electric and Natural Gas Interdependencies
- NGA Continues to work with ISO-NE and other RTOs on the **Electric/Gas Operations Committee (EGOC)**