

2022 NGA Winter Conference



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New Name – Same Critical Source of Peaking Supplies for New England



LNG Import Capacity

Everett LNG

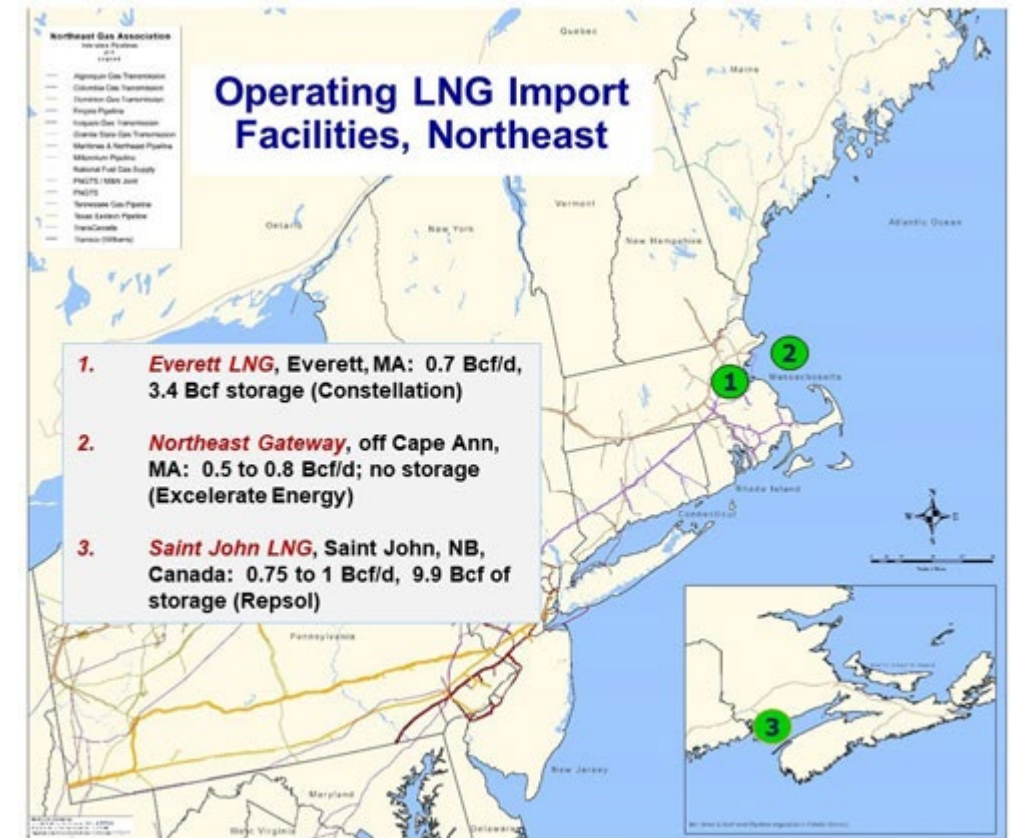
- Storage of 3.4 Bcf
- Vaporization capacity 700,000 MMcf/d
- Transport into AGT 150,000 Dth/d and TGP 150,000 Dth/d

NorthEast Gateway

- Storage (on ship) 3.3 Bcf
- Vaporization capacity 500,000
- Transport lateral capacity of 800,000, FT on AGT 180,000

Saint John LNG

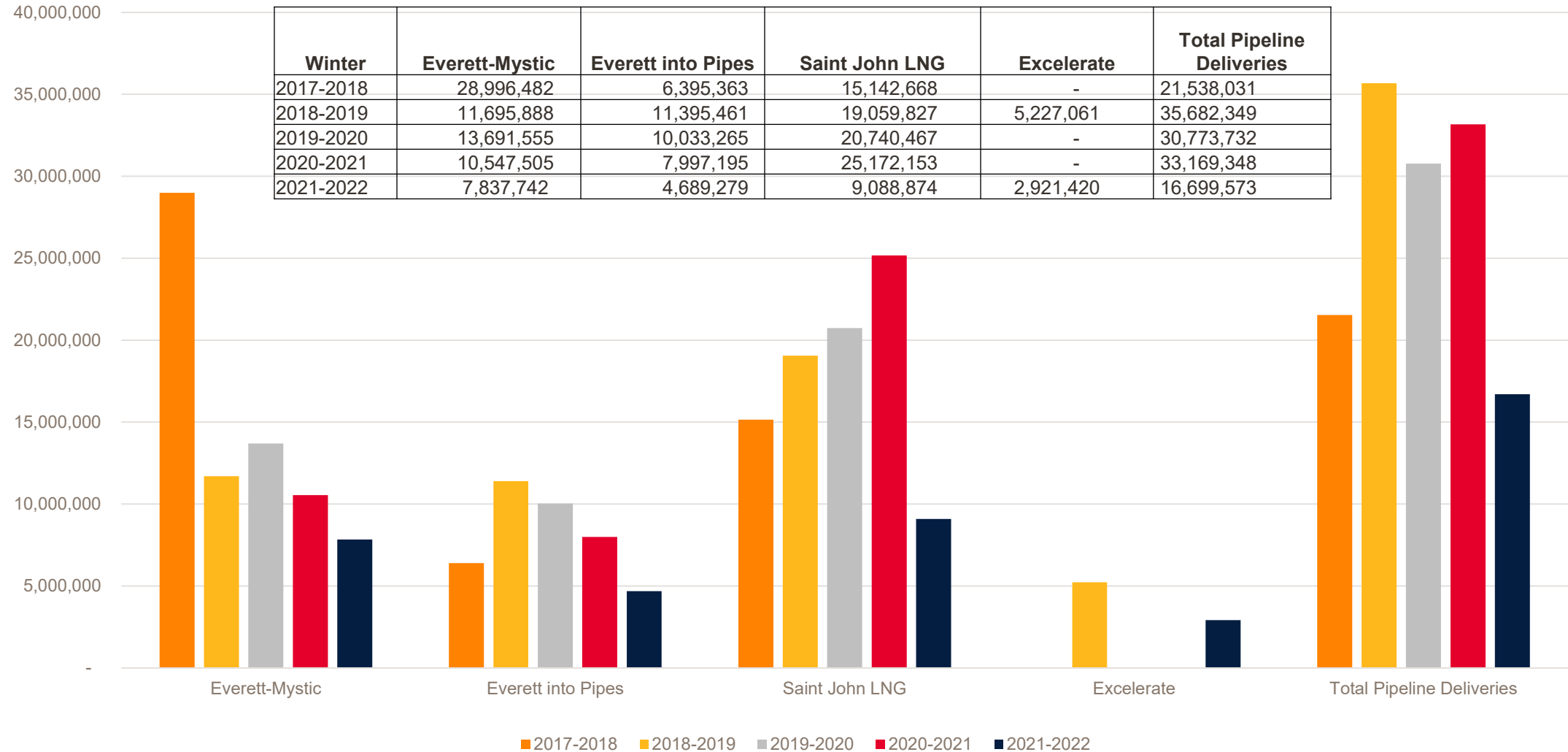
- Storage of 10 Bcf
- Vaporization capacity of 1.2 Bcf
- Transport on Emera Brunswick 1.0 Bcf and Maritimes Northeast 730,000 Mmbtu/d



Not a Capacity Issue – Its an Energy Issue

Regional Dynamics

LNG Supply



Regional Dynamics



New England has limited pipeline inflow capacity West to East, leading the region to import LNG or store oil backup during the winter.

The amount of LNG available is dependent on contracts that pre-arrange for delivery to the region.

Dependence on LNG/oil to meet incremental winter demand has uniquely exposed the region to global oil and gas prices, with the location needing to compete with buyers across the globe to attract fuel.

Capacity of the combined existing energy storage (oil and LNG) is sufficient to meet current demands.

- Total thermal power demand in New England can reach 2 bcf in gas-equivalent terms in winter, while pipeline capacity can only deliver between 0.7–0.9 bcf (dependent on operating conditions on the day).

LNG can and does help to fill the gap.

Concerns Winter 2022/23 ...



- LNG plays a key role in the New England electric and gas markets as a source of fuel
- While ISO New England has explored fuel security solutions since at least 2004, it has not addressed the lack of a real mechanism for generators to recover the costs of entering into long-term contracts for regasified LNG.
- ISO New England/FERC need to take steps to finally resolve this longstanding issue.
 - The solution needs to be a market-based fix that resolves the mismatch between how LNG is contracted for and how generators are compensated, not another subsidy for a singled-out facility
- To summarize, our message is there is enough capacity to meet the peak needs of New England in the winter. There isn't enough energy. The market needs to be fixed to match how LNG is contracted for with how generators recover their costs in the electric market. Removing this obstacle to more long-term LNG contracting is the most economic and efficient way to ensure fuel security by bringing in more cargos that more fully utilize the storage and send-out facilities at the LNG terminals.



THANK YOU