

November 5, 2020

NGA Pre-Winter Briefing: Introduction



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Northeast Gas Association

Today's Program

- ◆ Purpose: overview of how the regional natural gas system operates – and winter readiness

- ◆ Segment areas:

- Liquefied natural gas (LNG)



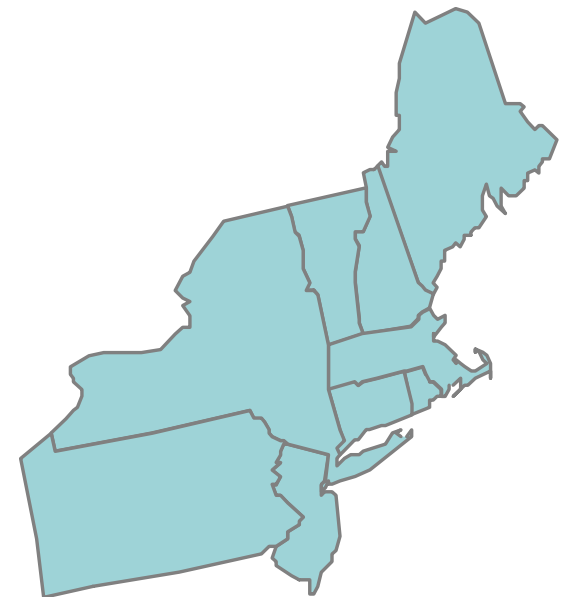
- Interstate pipelines



- ◆ Q & A

About NGA

- ◆ Non-profit trade association
- ◆ Local gas utilities (LDCs) serving New England, New York, New Jersey, Pennsylvania
- ◆ Several interstate pipeline companies
- ◆ LNG & CNG importers/suppliers
- ◆ About 400 “associate member” companies, from industry suppliers and contractors to electric grid operators
- ◆ www.northeastgas.org



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.

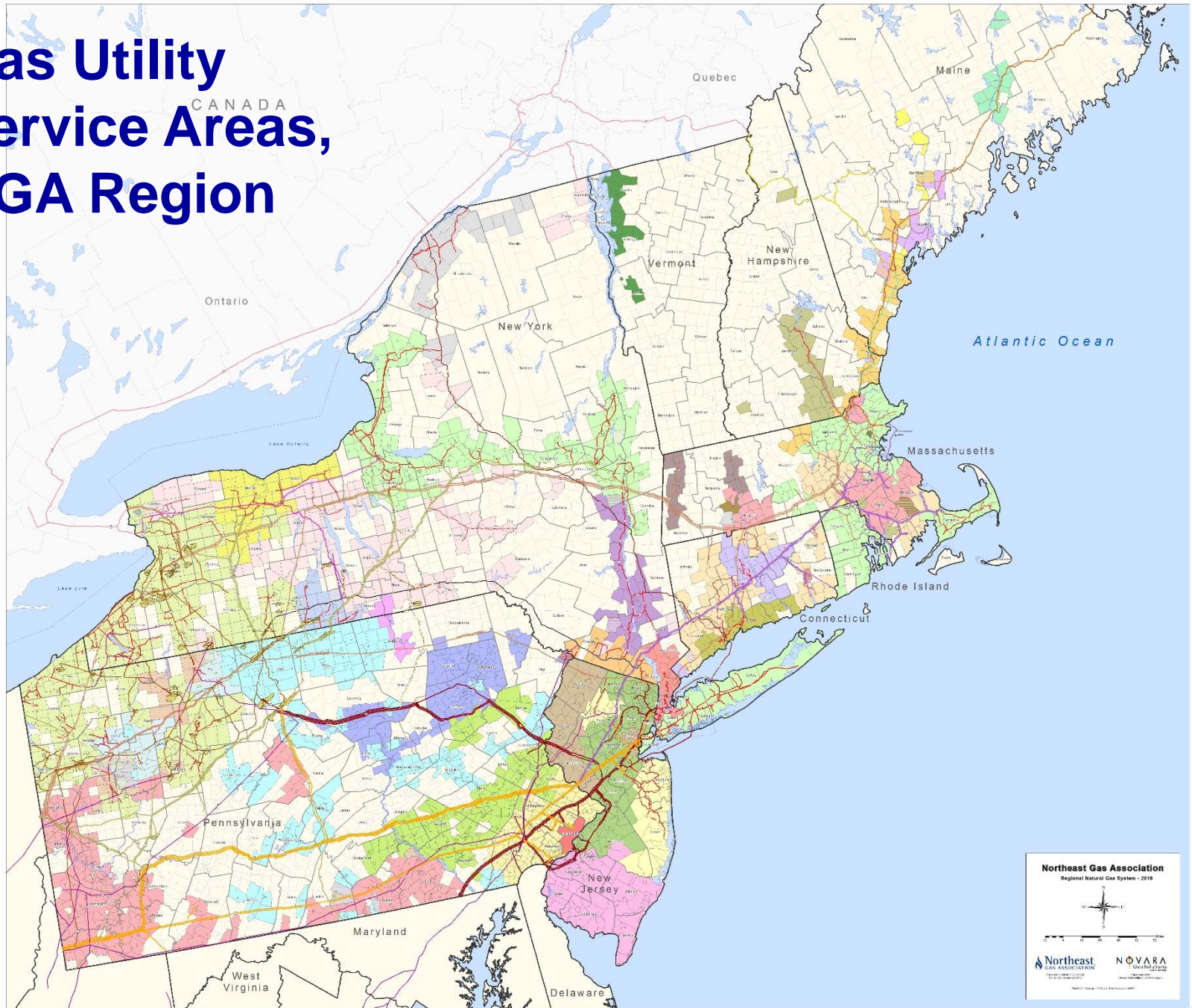
Continued on NGA web site...

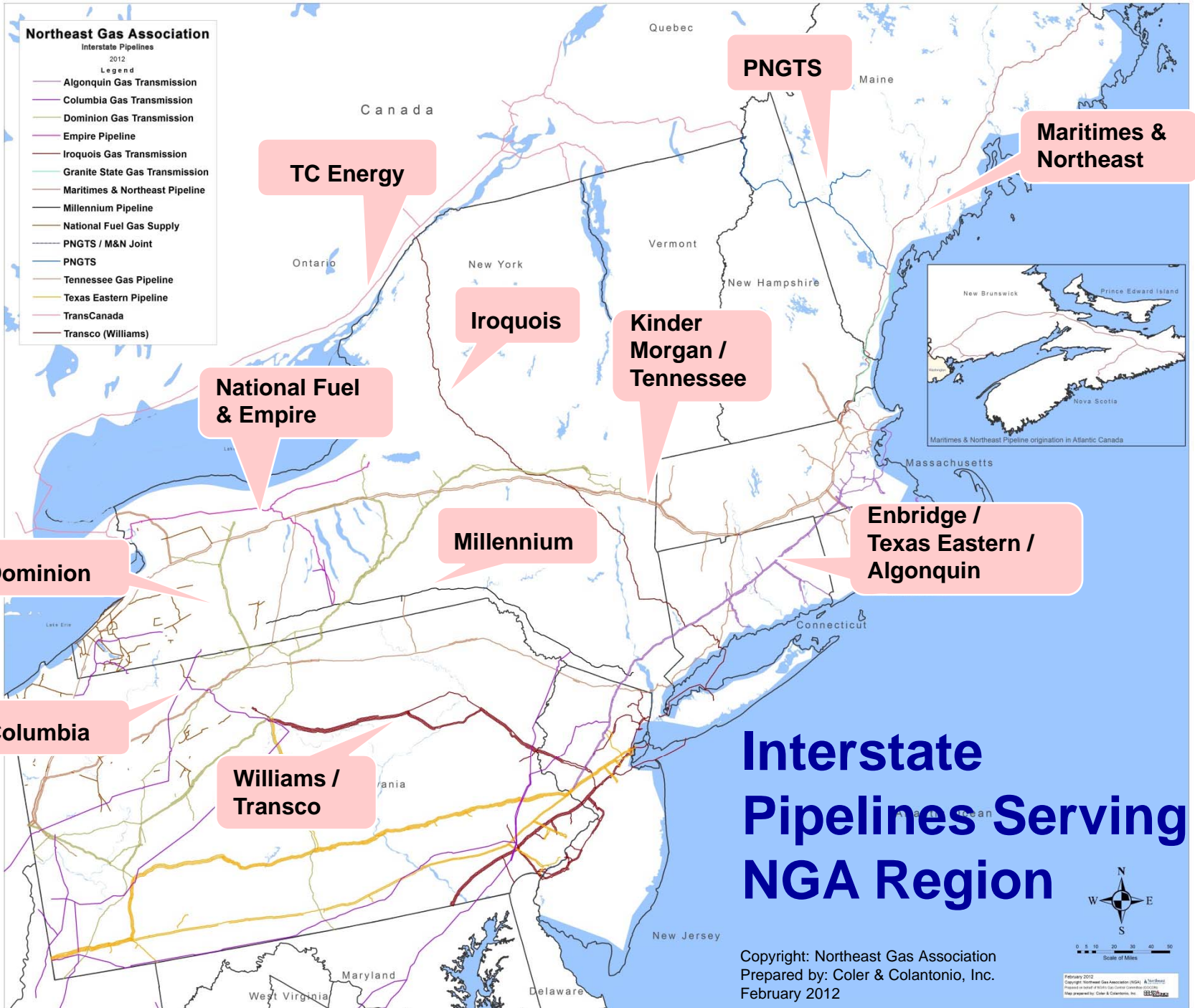
https://www.northeastgas.org/compliance_docs.php

Webinar Format

- ◆ We welcome your questions. During the webinar, please send questions via the “chat” function.
- ◆ Please mute your phones and do not put us on “hold” during the webinar.
- ◆ Presentations have been posted on NGA web site.
- ◆ Your feedback is valued – let us know how you like this format and topics.

Gas Utility Service Areas, NGA Region





Interstate Pipelines Serving NGA Region

Copyright: Northeast Gas Association
Prepared by: Coler & Colantonio, Inc.
February 2012

February 2012
Copyright: Northeast Gas Association (NGA) A Terribus
Produced by Coler & Colantonio, Inc. (C&C)
Map prepared by: Coler & Colantonio, Inc.

LNG

- ◆ LNG key to meeting peak day demand in the region – especially New England
- ◆ LDCs in NE, NY, NJ, PA utilize LNG for peak-shaving
- ◆ Three LNG import terminal operators are presenting



Canaport LNG. Photo courtesy of Repsol



*Everett LNG facility, part of
Exelon (Constellation)*

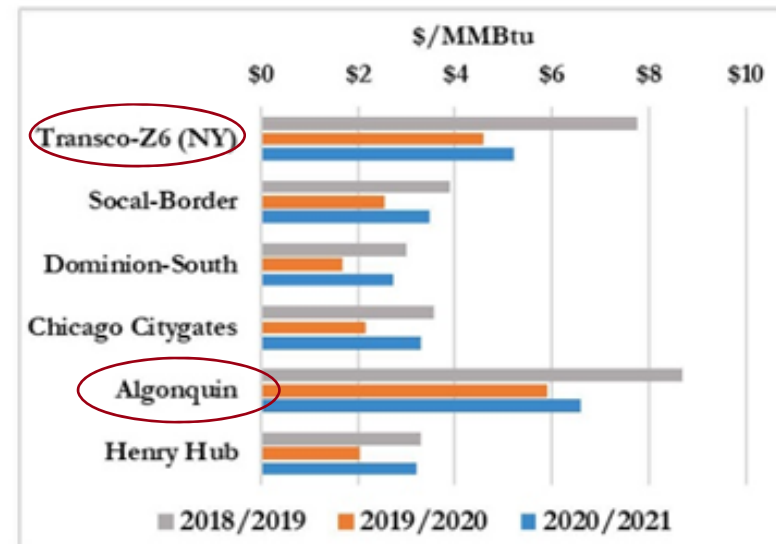


*Northeast Gateway,
Excelerate Energy*

Some Key Market Variables

- ◆ Storage at high levels - 3.95 Tcf as of Oct. 23
- ◆ Potential spot price volatility at constrained points in the region (see chart to right). FERC, 10-15-20: “Electric and natural gas markets are expected to be constrained in the Northeast...”
- ◆ EIA, 10-22-20: “The lower average residential price of natural gas reflects generally lower natural gas spot prices in 2020...Despite lower prices, EIA forecasts higher residential natural gas consumption will lead to an increase in household expenditures.”
- ◆ Weather is always the wild card...

Figure 8 U.S. Natural Gas Winter Futures Prices

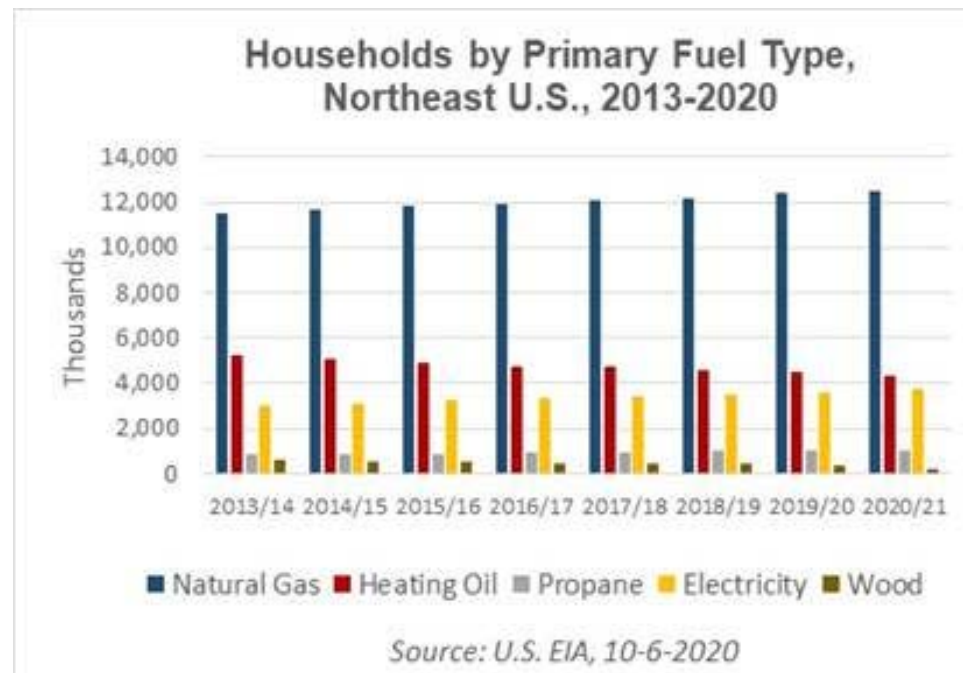


Source: InterContinental Exchange Inc.

Chart: FERC “Winter Energy Market” paper, October 15, 2020

Gas Utility Preparedness

- ◆ Gas utilities in the region preparing for winter
- ◆ Supply and storage contracts in place
- ◆ Managing new customer growth on system
- ◆ Role of supplemental CNG and LNG inputs
- ◆ Constraints and moratoria at certain points



Coordination with Power Systems

- ◆ NGA maintains joint Electric-Gas Operating Committee with 3 ISOs in region
- ◆ Good communication between ISOs and pipeline control rooms
- ◆ NGA has link to pipeline EBBs on its website:
https://www.northeastgas.org/electronic_bulletin_board.php
- ◆ EIA has excellent energy assistance info, & NE link::
<https://www.eia.gov/dashboard/newengland/naturalgas>



NGA Gas Supply Task Force

- ◆ **Members:** LDCs in region, interstate pipelines, LNG transporters
- ◆ **Purpose:** to help deal with meeting winter supply needs and deliverability within the Northeast region
- ◆ **Tasks:** *Monitor* regional deliverability of its members' gas supplies during periods of peak demand or supply curtailment; *Advise* region's energy, regulatory and policy officials; also *Update* ISOs in region of meetings, outcomes
- ◆ **Upcoming:**
 - First call to be held early December. Summaries of discussions will be provided same day to state agencies (and ISOs)
 - Annual supply manual is being prepared; will be provided to state agencies in early December.

Presenters

Liquefied Natural Gas (LNG) Operations in the Region

Karen Lampen, Repsol (Canaport LNG)

Mike Cunningham, Everett LNG / Constellation Energy

Gary Ritter, Excelerate Energy (Northeast Gateway)

Northeast Interstate Pipeline System

Mike Dirrane, Enbridge

Coralie Sculley, Tennessee Gas Pipeline/Kinder Morgan

Chris Stutz, Iroquois Gas Transmission

Tom Lockett, Portland Natural Gas Transmission System