

Gas – Electric Coordination

National Conference for Regulatory Attorneys

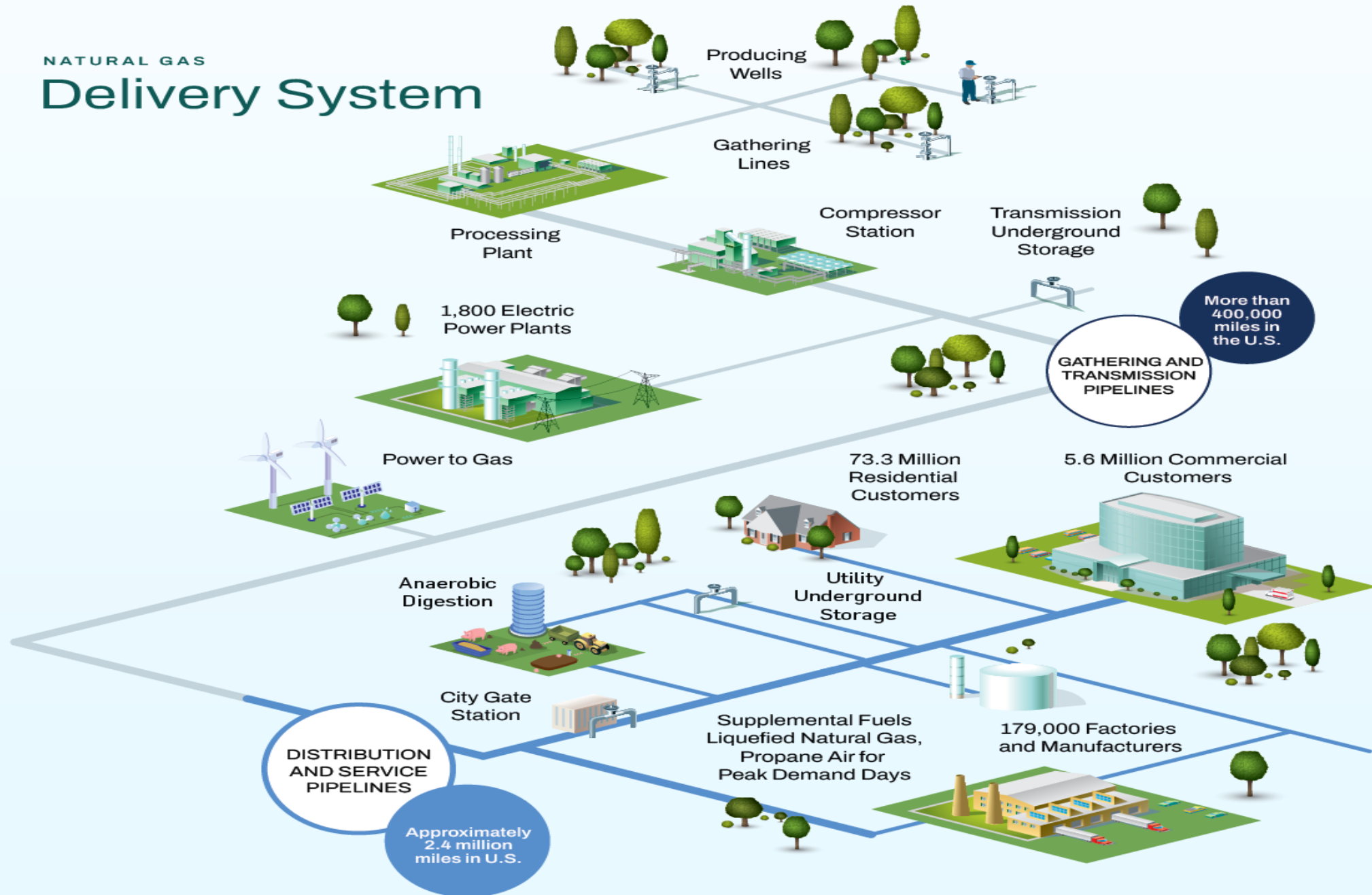
About AGA

The American Gas Association, founded in 1918, represents more than 200 local energy companies that deliver clean natural gas throughout the United States. There are more than 79 million residential, commercial and industrial natural gas customers in the U.S., of which 94 percent — more than 74 million customers — receive their gas from AGA members. Today, natural gas meets more than one-third of the United States' energy needs.

- Approx. 189 million Americans and 5.6 million businesses use natural gas
- On the coldest day of the year, the natural gas system delivers approx. 3X more energy than the electric side delivers on the hottest day of the year.
- Approx. 25% of natural gas volumes to electric generation (sales or transportation) delivered by LDCs.

NATURAL GAS

Delivery System



Jurisdictional, Legal & Policy Divides



Gathering & Production

- Regulated at the State level
- Prices not regulated and established via contract
- Terms of service governed via contract
- Federal and State regulation of environmental matters



Transmission

- Interstate pipelines regulated by FERC
- Intrastate pipelines regulated by the States
- FERC regulates:
 - Certification of facilities
 - Terms of service
 - Transportation rates
 - Entry and Exist from market



Distribution

- Regulated at the State level
 - Terms of service
 - Retail rates
 - Certification of facilities
 - Supply and Capacity procurement
- Any LDC interstate services regulated by FERC



Gas & Electric Regulation

- At the Federal level two different statutes and regulatory frameworks
 - Federal Power Act
 - Natural Gas Act & Natural Gas Policy Act
- Markets are structured differently
- Policy differences between Feds and States and among States

Why Focus on Coordination and Reliability?

Increased Demand for Natural Gas

- Homes, Small Businesses, Industrial Facilities
- Power Generation (Including Utility Supplied)
 - Support increases in electric load
 - Support intermittent generation

Infrastructure

- Capacity Installation Slowdown
 - Permitting delays
 - Court challenges
- Regulatory Swing

Industry and Regulator Efforts on Coordination

- NARUC Gas-Electric Alignment for Reliability (GEAR) Task Force
 - State Commissioners and Industry Representatives
 - Recommendations
- Natural Gas Readiness Forum
 - Dedicated to the enhancement of U.S. natural gas value chain reliability via the promotion of communication, peer-to-peer connections, situational awareness, and education amongst its participants and stakeholders
- FERC/NARUC Federal-State Current Issues Collaborative
 - FERC Commissioners and State Commissioners
- Industry Collaboration

Questions?

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Reference Materials

- [AGA Playbook 2025](#)
- [FERC 2024 State of the Markets Report](#)
- [FERC/NERC January 2025 Arctic Events, A System Performance Review](#)
- [Natural Gas: Advancing America](#)
- [FERC/NERC - The February 2021 Cold Weather Outages in Texas and the South Central United States](#)
- [FERC/NERC - Inquiry into Bulk-Power System Operations During December 2022 Winter Storm Elliott](#)