



Argus News & analysis

## US gas reliability org could hamper industry: Panel

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Boston, 10 June (Argus) – The creation of a federal natural gas reliability organization may be unnecessary and could hamper industry activity, panelists said today at the Northeast LDC Gas Forum in Boston, Massachusetts.

"You get scared when you get more government help on top of government help," said Freeman Shaheen, president of Chevron's global gas division. "I want the opposite. I want streamlining of the process."

Shaheen compared the notion of new reliability standards to the regulatory process the industry currently must go through to build or expand infrastructure in the northeast US, which many in the industry consider excessively onerous.

The main action a new federal gas reliability organization would likely take would be to enforce the weatherization of more infrastructure, which the industry has already been doing, said Dena Wiggins, chief executive of the trade group Natural Gas Supply Association.

The idea of the US Congress forming a federal gas reliability organization was floated by an influential standards group last year in the wake of severe winter storms in February 2021 and December 2022, which interrupted gas and electric power service. This new organization would operate similarly to the North American Electric Reliability Corporation, which oversees US power system reliability. Others have suggested that increased coordination between the gas and power industries ahead of severe weather events could enhance reliability.

But according to Shaheen, the root cause of the northeast gas system's reliability problems is the dearth of gas pipeline infrastructure, which is largely the result of opposition from state regulators. While optimistic about the possibility for rule changes that could streamline the permitting process, Shaheen and Wiggins were both doubtful about anything happening in a federal election year.

By Julian Hast

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