

**Sponsors: Florida Municipal Power Agency; Illinois Municipal Electric Agency; Michigan Municipal Electric Association; Oklahoma Municipal Power Authority; KPP Energy**

**In Support of a Reliable and Affordable Supply of Natural Gas**

1 The American Public Power Association (APPA) believes that natural gas is, and will continue to be, an  
2 important generation fuel for the foreseeable future. In 2022, natural gas accounted for nearly 40 percent  
3 of utility-scale electricity generation in the United States.<sup>1</sup> In addition to generating electricity, millions of  
4 Americans also rely on natural gas directly for cooking and heating their homes, as well as an important  
5 product in the development of several industrial processes. Public power utilities continue to diversify  
6 their generation portfolios, not only to reduce greenhouse gas emissions, but also to ensure reliable,  
7 affordable electricity. To maintain current reliability and to manage the increased load expected from  
8 electrification of appliances, home heating, and transportation, natural gas must continue to play an  
9 instrumental role in the electric system.

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11 A reliable and affordable supply of natural gas is critical to ensuring a resilient and reliable power grid,  
12 without making costs unaffordable to customers. While the electric and natural gas industries have long  
13 been intertwined, the relationship has become more critical in recent decades as a larger share of  
14 electricity is generated using natural gas. In light of the challenges with natural gas pipeline permitting,  
15 fluctuations in natural gas prices, increased deployment of intermittent renewable resources, and extreme  
16 weather events, the importance of the interdependent relationship between electricity and natural gas has  
17 only grown.

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19 Despite the widespread recognition of this important and interdependent relationship, challenges persist in  
20 ensuring a reliable and affordable supply of natural gas. Many of these challenges are laid out in the  
21 North American Energy Standards Board (NAESB) Gas Electric Harmonization Forum Report from July  
22 2023. While some of NAESB's recommendations received strong support from both the electric and  
23 natural gas industries, including the adoption of multi-day unit commitment processes, alignment of  
24 timelines between the power day and/or the day-ahead schedule timelines with the gas day, and support  
25 for natural gas and electricity demand response programs, the forum report also produced several  
26 recommendations that did not enjoy broad support. These divergent views, as well as recent events, show  
27 that more efforts are needed to bridge the gap between the two industries and ensure a reliable and  
28 affordable supply of natural gas, which is critical to all utilities, including public power, as they power  
29 homes, businesses, and communities.

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<sup>1</sup> EIA 2022 Data, <https://www.eia.gov/tools/faqs/faq.php?id=427&t=3>

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31 **NOW, THEREFORE BE IT RESOLVED:** That the American Public Power Association (APPA)  
32 supports the use of natural gas as public power utilities continue to diversify their generation portfolios  
33 and recognizes the importance of a reliable, affordable, and abundant natural gas supply to ensuring a  
34 reliable, resilient, and affordable electric power supply for the grid; and

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36 **BE IT FURTHER RESOLVED:** That APPA supports a readily available and affordable supply of  
37 natural gas, as well as the pipeline infrastructure necessary to ensure reliable and timely delivery where it  
38 is needed; and

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40 **BE IT FURTHER RESOLVED:** That APPA supports higher standards for delivery, notification, and  
41 transparency from the natural gas industry, whether the industry adopts and implements those standards  
42 voluntarily or through increased government oversight, including but not limited to, the establishment of  
43 a natural gas reliability organization, that carries out similar functions in the natural gas business as the  
44 North American Electric Reliability Corporation (NERC) does for electric reliability, as proposed by the  
45 2023 North American Energy Standards Board Gas Electric Harmonization Forum Report; and

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47 **BE IT FURTHER RESOLVED:** That APPA will continue to work with the Federal Energy Regulatory  
48 Commission (FERC), NERC, and industry stakeholders to increase product and asset availability, price  
49 transparency, accountability, and coordination between the natural gas and electric industries to ensure  
50 electric reliability; and

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52 **BE IT FURTHER RESOLVED:** That APPA supports federal policies that would streamline federal  
53 permitting and siting rules to facilitate the construction of energy infrastructure, including natural gas  
54 delivery systems, necessary to provide affordable and reliable electricity.

**Adopted at the Legislative & Resolutions Committee Meeting**

**February 27, 2024**

**Sunsets in March 2032**