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October 29, 2015

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: Comment on PennEast Pipeline Project
PennEast Pipeline Company, LLC
Docket No. CP15-558-000

Dear Ms. Bose:

The Natural Gas Supply Association (NGSA), representing major integrated and independent producers and marketers of domestic natural gas, supports the pipeline industry in its efforts to build much-needed natural gas pipeline infrastructure. Our member companies supply trillions of cubic feet of natural gas each year to a growing number of power plants, local gas utilities, factories and other industrial users. Our commitment to our customers is why we are deeply invested in ensuring that there is adequate infrastructure in place for them to transport their natural gas.

Fortunately, our nation has abundant natural gas resources that enable our industry to satisfy all of our customers' needs. In only a few years' time, the United States has become the biggest producer of natural gas in the world. Indeed, estimates of the gas resource base have more than tripled in the last decade.[1] And just since 2010, production has grown 20 percent, with government forecasts calling for production to reach a record-setting 72 billion cubic feet per day this year.[2]

Consumer demand for our commodity has been steadily growing since 2009, and for all the right reasons: it is abundant, American, burns clean and it is affordable. Access to abundant domestic natural gas has given U.S. industrial companies a competitive advantage over their global competition, leading to the resurgence of gas-intensive manufacturing in the United States and the creation of more jobs to construct and fill the resulting new and expanded industrial facilities.

At the same time, demand from the power sector has also increased, driven by natural gas's low carbon emissions, retirements of older coal-fired plants, and the comparatively low cost and small footprint of natural gas-fired power plants.[3] In recent years, greater use of natural gas has produced significant reductions in U.S. carbon emissions because, over its lifecycle, natural gas emits only about half the carbon of other fossil fuels when combusted, whether to make electricity,

[1] *See* Potential Gas Committee *Biennial Report of Potential Supply of Natural Gas in the United States*, 2013, available here.
[2] See EIA *Short Term Energy Outlook*, Jan. 2015 available here and EIA Natural Gas Summary | Custom Table Builder, available here.
[3] See Leidos (formerly SAIC), *Comparison of Fuels for Power Generation*, 2014, available here.

forge steel or provide heat.[4] Because of these advantages, along with its lack of sulfur dioxide (SO_2) or mercury, very little nitrogen oxide (NO_x) and no soot or volatile organic compounds, natural gas is poised to become an even more important part of states' energy portfolios as they seek cleaner energy alternatives in order to comply with the Environmental Protection Agency's proposed Clean Power Plan.

In fact, natural gas can help states meet their Clean Power Plan objectives in a reliable manner as greater levels of renewable forms of energy are included in their portfolios. We anticipate that the Clean Power Plan will likely bring more intermittent renewable energy sources into the generating mix, which could require more available natural gas capacity, particularly when the sun doesn't shine or the wind doesn't blow. Natural gas generating capacity is competitive, flexible and reliable, allowing it to play a fundamental role in ensuring that electricity is available for consumers whenever it is needed -- as long as the needed infrastructure is in place.

Adequate infrastructure enhances the resiliency of the energy delivery system, alleviates bottlenecks and provides market liquidity that leads to a more stable pricing environment.

The forecasted growth in demand illustrates the need for increased flexibility in our pipeline systems to meet the anticipated variation in demand from the power sector. This flexibility can be achieved through the addition of new pipeline capacity, such as the PennEast Pipeline Project. The power sector will benefit from a more resilient natural gas delivery system in times of system stress, such as severe weather events.

The natural gas industry is committed to environmental stewardship and has a track record of reducing methane emissions. Government data show that the industry successfully reduced its methane emissions by 14 percent while production quadrupled over the same 2008-2012 timeframe.[5] Our industry is committed to further reductions.

Clearly, plentiful natural gas is good news for consumers however, consumers cannot benefit from this abundance of natural gas if infrastructure is not developed to connect supply with demand. Plentiful natural gas means lower household energy bills; lower overhead costs for businesses and lower costs for products as diverse as pantyhose and fertilizer. Of course, that's in addition to the enormous tax and revenue base generated by natural gas production, which directly employs more than 1.5 million people in the United States, and indirectly supports the jobs of millions more.[6] Natural gas was one of the few industries that expanded during the recent recession, providing a rare bright light for job-seekers.[7]

Over the past decade, natural gas production has become increasingly diversified across the country bringing supply closer to the market area and end-users. Yet insufficient infrastructure can limit users' ability to tap into supplies that are close to their market areas. Natural gas producers are doing our part, making enormous investments in exploration and production of natural gas,

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[4] See National Renewable Energy Laboratory, "*Harmonization of Initial Estimates of Shale Gas Lifecycle Greenhouse Gas Emissions for Electric Power Generation,*" Proceedings of National Academy of Sciences, July 2014, available here.

[5] See EPA *Inventory of Greenhouse Gas Emissions and Sinks 1990-2012*, 2014 edition available here.

[6] *See* IHS Global Insight, *The Contributions of the Natural Gas Industry to the U.S. National and State Economies*, September, 2009 available here.

[7] *See* IHS Global Insight, *The Contributions of the Natural Gas Industry to the U.S. National and State Economies*, September, 2009 available here.

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while also financially committing to the pipeline projects that provide the capacity needed to bring gas from supply areas to market hubs. But more is needed.

The path ahead seems straightforward: in order for Americans to take full advantage of the benefits offered by abundant natural gas supplies, additional natural gas infrastructure must be in place to transport natural gas from the wellhead to consumers. Unnecessary delays in building needed pipelines and related facilities will only hurt the American businesses and households.

For these reasons, we encourage the Commission to give this project and all pipeline applications serious consideration to ensure that natural gas infrastructure is built that will allow us to continue to provide natural gas to our customers and to help meet the country's need for reliable and clean energy.

Sincerely,

Dena E. Wiggins
President and CEO
Natural Gas Supply Association

NGSA represents major integrated and independent companies that produce and market approximately one-fourth of the natural gas used in the United States. Established in 1965, NGSA encourages the use of natural gas within a balanced national energy policy, and promotes the benefits of competitive markets, thus encouraging increased supply and the reliable and efficient delivery of natural gas to U.S. customers. www.ngsa.org