

## PRESS RELEASE

### GDF SUEZ Energy North America, Inc.

20 City Square,  
Charlestown, MA 02129 [www.gdfsuezna.com](http://www.gdfsuezna.com)

### Contact:

Carol Churchill, 617 886 8759, [carol.churchill@gdfsuezna.com](mailto:carol.churchill@gdfsuezna.com)  
Julie Vitek, 713 636 1962, [Julie.vitek@gdfsuezna.com](mailto:Julie.vitek@gdfsuezna.com)

## Report on New England Energy Winter Reliability Solutions Finds Proposed Subsidized Natural Gas Pipeline to be Unnecessary and Costly

August 17, 2015 – A new in-depth report analyzing energy reliability in New England during extreme winter conditions has concluded that the proposed electric ratepayer funding of additional pipeline capacity is a costly and risky proposition in terms of both ratepayer expense and a healthy energy market in New England. Energyzt Advisors, LLC, a global collaboration of energy experts, conducted the study after the record-breaking winter of 2014-2015, which actually saw a *decrease* in energy prices.

After several winters produced significant demand for energy in the region, Energyzt analyzed energy market conditions that occurred in New England and compared the costs, benefits, and market impacts of alternative proposals to address winter reliability. The report was commissioned by GDF SUEZ Energy North America to determine if the current plans to build new pipeline capacity funded by electricity ratepayers were really needed in New England.

Energyzt's report, "Analysis of Winter Reliability Solutions for New England Energy Markets," found that the existing energy infrastructure in New England is more than adequate to handle the region's energy needs. The report stated that, "certain market participants have advocated for extraordinary government intervention to mandate regulated electric ratepayer funding of a new pipeline, implicitly claiming that high prices are signaling a shortage of pipeline delivery capability and a failure of the market to respond appropriately. Some have gone as far as to claim that New England gas and electric reliability are at risk. These claims are unsupported."

The report further noted that, "the electricity system has maintained required reserve margins during some of the most extreme conditions over the past three winters despite numerous temporary system problems. The issue is not lack of infrastructure, but lack of commercial contracts to access existing energy infrastructure."

The report presents analyses showing that proven and far less costly alternatives to a subsidized pipeline include liquefied natural gas (LNG) and dual-fuel capability. In addition to these existing energy assets, pipeline expansions already underway and ISO-NE's market-based approach with its "Pay-for-Performance" in the Forward Capacity Market (FCM) can ensure winter reliability for at least the next decade under ISO-New England 2015 projections of load growth, generation additions and retirements. Existing policies in New England promoting demand response, energy efficiency and renewable energy additions limit projected growth in natural gas demand from the electricity sector over the long-term, a finding consistent with recent Annual Energy Outlook projections issued by the Energy Information Administration. Electricity ratepayers are not driving a need for additional pipeline capacity.

The report also highlighted other reasons why subsidized pipelines would be unnecessary and risky for energy consumers:

- The region has not yet begun to see the benefits of existing pipeline expansions already underway that will provide more than 600 million cubic feet/day of additional capacity to New England.
- Existing public policy calls for diversifying the region's energy portfolio into renewables, and continuing to implement energy efficiency, demand response, and market-based incentives, which should result in low-load growth or even load reduction, serving to lower the future demand for natural gas by the electricity generation sector.
- Under projected conditions, electric ratepayers would be required to pay for a new pipeline that would create a glut of pipeline capacity in New England, likely leading to higher total costs to ratepayers and supporting the export of U.S. natural gas to Canada and overseas markets.

[Click here](#) for the Energyzt report.

*GDF SUEZ Energy North America manages a range of energy businesses in the United States, Mexico, and Canada. These businesses include electricity generation and cogeneration, natural gas and liquefied natural gas (LNG) distribution and sales, and retail energy sales and related services to commercial, industrial, and residential customers. To learn more, please visit [www.gdfsuezna.com](http://www.gdfsuezna.com).*