Written Testimony
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Chairman Latta, Ranking Member Castor, and Members of the Subcommittee,

Thank you for the opportunity to testify today, and for the important work you all do for our nation. My name is José Costa, and I serve as President and CEO of the Northeast Gas Association (NGA), an industry association dedicated to natural gas education and training, technology research and development, pipeline safety, energy reliability and affordability, and environmental initiatives in the Northeast U.S.[1] Our members include the regional local gas distribution companies (LDCs, also referred to as natural gas utilities), interstate pipeline and storage operators, LNG import facilities, natural gas trucking companies, and more than 200 associate members.

I appreciate the chance to share insights from Winter Storm Fern and the extended cold that affected the Northeast in late January and early February. While our region avoided the significant electric outages experienced elsewhere in the country, this weather event

[1] The Northeast Gas Association's footprint includes the 11 Northeast states including all of New England, New York, New Jersey, Pennsylvania, Maryland and Delaware.

tested our energy systems and underscored a reality: our infrastructure is operating at or near maximum capacity. It is clear – proactive investment in new natural gas infrastructure and expanding the region's natural gas storage capabilities is required to ensure safe, reliable, and affordable energy for the Northeast.

I am submitting this testimony to highlight key lessons from this winter's extreme weather, particularly Winter Storm Fern and the prolonged cold that followed, and to emphasize the need for sustained investment in natural gas infrastructure as a foundation for reliable, affordable, and increasingly clean energy across the Northeast.

Winter Storm Fern: What Worked

As Winter Storm Fern spread across the country, the Northeast natural gas industry prepared for, and met the moment, playing a key role in helping the region weather the extended cold without major challenges.

Northeast Natural Gas Producers Met Exceptional Demand

While reports have suggested that natural gas production declined in parts of the country, Appalachian Basin producers performed exceptionally well comparatively, experiencing only about a 5% reduction in supply. They deserve recognition for their winterization efforts in advance of this winter.

Interstate Pipeline Operators and LDCs Ensured Reliability

Northeast interstate natural gas pipelines recorded some of their highest "flow days" on record, and LDCs met record-setting customer demand across multiple areas, including Long Island and Rhode Island. This does not happen by accident. Interstate transmission companies and gas utilities are only able to ensure this reliability in the winter because of the maintenance work they do during the warmer months, the preparations they do in advance of winter weather events, and the dedicated efforts of their workforce before and during the storm. Our members could share countless examples of employees working nights and weekends maintaining key pieces of natural gas infrastructure. Those efforts allowed the region's interstate pipelines to meet their obligations to their customers during this extended weather event. Simultaneously, gas utilities were able to keep their customers warm during life-threateningly cold weather.

To emphasize the ability of the gas system to ensure reliability, according to data from the American Gas Association, on the coldest day of the year, the natural gas system delivers three times more energy than the electric system delivers on the hottest day of the year. Natural gas infrastructure is absolutely essential for energy reliability year-round.

LNG filled important demand as pipelines reached capacity

The Northeast's natural gas infrastructure is significantly constrained. As demand peaked during Fern and over the days that followed, pipelines operated at capacity for extended periods. With New England's pipeline infrastructure at its max, the region turned to LNG

import facilities, including the Everett Marine Terminal and Repsol's facility in St. John Canada to provide critically important natural gas supplies to the region. These imports occur not because domestic supply is unavailable, but because New England is at the end of the pipeline network and due to the pipeline constraints that prevent abundant U.S. natural gas from reaching New England.

The region's LDCs also turned to LNG storage facilities to help meet peak demand and ensure reliability for the region. Further, LDCs were successful in hedging high spot market prices by deploying gas in storage that had been previously purchased at a lower price. The region's LNG import facilities and storage facilities demonstrated that they are vital to our region's energy security.

While we do not yet have all of the data for exactly what percentage of the fuel mix LNG played during this period, according to EIA, during periods of peak demand, imported LNG can contribute up to 35% of the natural gas supply in New England. According to the ISO-NE for several days in late January (Jan 25-Feb 1) all gas-fired generation on the system relied on scheduled LNG injections. Fuel from both the Everett Marine Terminal and the Repsol St. John facility were critically important during this winter.

Natural Gas Supported Electric Grid Reliability

Across the Northeast, natural gas is the dominant fuel source for electric generation, keeping the lights and heat on, especially during winter events like Fern. In ISO-New

England, more than half of electric generation is fueled by natural gas each year. Additionally, it is the top fuel source in both NYISO and PJM annually, serving as the marginal fuel that sets the price of electricity across the region's wholesale markets.

During the coldest periods, with natural gas pipelines contracted to support home heating, in New England and New York, many dual fuel electric generators turned to oil. Indeed, oil temporarily surpassed natural gas as New England's predominant fuel in the generation mix in late January and early February – hitting over 40% of generation at times. Yet even during this period of peak, extended heating demand, natural gas remained the essential baseline fuel supporting the region's electric grid. Each day of Fern, natural gas supplied at least a quarter of the generation mix in New England.

Notably, as we evaluate what contributed to New England's energy reliability during this event, intermittent resources, like wind and solar, played a very small role. In fact, at certain points during Winter Storm Fern, burning trash and wood for power generation accounted for a greater proportion of New England's electricity than solar and wind.

Strong Industry Coordination between NGA & Stakeholders

It should also be noted that this extended cold weather event went as smoothly as it did due to significant industry coordination with our partners in the electric sector and in government. Each winter, NGA convenes a Gas Supply Task Force which ensures regular communication across all aspects of the Northeast gas industry. NGA also closely

coordinates with the regional ISOs, including by co-chairing the regional "Electric-Gas Operating Committee" with ISO-NE. Further, throughout this event, NGA and our members stayed in regular contact with state and federal government stakeholders including U.S. Department of Energy (DOE), U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration, and state agencies, such as the Massachusetts' Department of Energy Resources. This close coordination played a critical role in managing system operations.

System Stresses and Exposed Vulnerabilities

The region avoided significant negative incidents due to the efforts of the region's natural gas industry, workforce, and infrastructure. Yet Winter Storm Fern and the extended cold that followed highlighted the significant stresses and persistent challenges that plague our region's energy systems.

Record Demand

The extended cold following Winter Storm Fern led to extreme demand for both the gas and electric systems across the region. Indeed, PJM experienced hourly winter peak loads of 130 GW and above for eight consecutive days, a first for the winter season. In New York, electricity demand was elevated for the duration of the event, peaking at over 24 GW on two days and well above 23 GW on most other days. New Englanders

consumed about 7,669 gigawatt-hours of electricity during this extended cold, and peak demand hit 20.2 GW between 1:00PM and 2:00PM on January 25th.

LDCs including National Grid (Long Island) and Rhode Island Energy also set records for send out, highlighting the significant demand for heating during the extended cold.

Infrastructure Constraints

In our communications with the pipeline operators across our region, the message during this period was clear: the pipelines were running at their max capacity. Almost all pipelines in the Northeast set record flows or near record flows. And – what's more, they did this consistently over multiple days over the extended cold period.

Notably, some of our members pointed out that they set record flows for deliveries to electric generators. They also issued customer-specific Operational Flow Orders (OFOs) to power generators, a rare mechanism used to protect contracted customers. While pipelines continued to move significant volumes of gas—including to the electric sector—they ultimately reached points in certain locations where they could no longer supply gas to power plants that do not hold firm transportation contracts. Most gas-fired generators in the Northeast do not hold firm transportation contracts. As a result, during the periods of peak demand gas-only generators went offline and dual fuel units switched to oil.

Reliance on Trucked Fuels

As pipeline-delivered gas tightened, the region became increasingly dependent on oil, propane, and natural gas delivered by truck and barge. This required state and federal agencies including the Federal Motor Carrier Safety Administration and Massachusetts Department of Energy Resources to issue hours of service waivers. These waivers allowed truck drivers to drive extended hours in sometimes dangerous conditions. While we applaud the efforts of these drivers and state and federal officials for granting the waivers, this is certainly not the safest or the most reliable option for delivering fuels. Further complicating the supply chain, oil fuel depots experienced delivery disruptions due to frozen waterways, and last mile delivery challenges. Reliance on fuels delivered by truck and barge is not a sustainable or cost-effective solution if the gas system continues to see increased demand. In that instance, LDCs would need to consider moratoria on new customers to maintain balance if the constrained supply is not addressed by building out new infrastructure.

Affordability Impacts

All this demand for electricity and for gas heating drove the region to some of the highest wholesale electricity and natural gas prices the Northeast has ever seen.

As demand increased in the week ending January 30th, spot prices in the Northeast rose sharply. Iroquois Zone 2 surged to $179.16/MMBtu. Spot prices at Algonquin Citygate

surged to $122.58. PNGTS soared from $48.79 to $73.34, while Maritimes & Northeast surged $77.38 to $90.36. Indeed, spot prices at Iroquois Zone 2, which is a price marker for New York and Connecticut, reached 17 times higher than Northeast Pennsylvania spot prices on January 28th. Henry Hub, the nation's primary benchmark for natural gas pricing, set its record high during the event, reaching the comparatively modest $30.57 on Jan. 26 as frigid temperatures drove demand higher in the southern U.S.

Power prices followed gas higher. New England real-time power prices spiked to a record $660.37/MWh on Tuesday (Jan. 27). NYISO Day-Ahead prices averaged $850/MWh on Wednesday January 28th. These prices reflect the region's reliance on high-priced marginal generation during peak cold.

It is worth emphasizing that gas utilities buy firm transportation and supply contracts, implement financial hedges, and utilize storage, which reduces their customers' exposure to short term market volatility. This is generally not the case for electric generators. Yet even despite the efforts of LDCs, it is impossible to insulate customers completely from the high prices caused by the constrained pipeline system.

Increased Emissions

As mentioned previously, during the periods of highest demand, many generators in New York and New England either stopped generating electricity if they could not access natural gas or switched to oil. To ensure adequate electric supply, DOE issued emergency

orders to allow generating facilities to operate up to their maximum generation output, notwithstanding air quality or other permit limitations. While we applaud DOE and the electric grid operators for taking these necessary steps, these actions have immediate emissions impacts and are not long-term solutions. Indeed, in New England, oil supplied 35–40% of the grid's generation mix, compared to the normal 0-1%, significantly increasing regional CO_2 emissions, as greenhouse gas emissions from electricity generated by combusting fuel oil are approximately 40% higher than those produced by combusting natural gas. According to ISO-NE, "due to the increase in generation from higher-emitting oil-fired plants — and the drop in the share of generation from lower-emitting, highly efficient natural-gas-fired plants — CO_2 emissions in January 2026 were up an estimated 24% compared to January 2025." This underscores a critical but often overlooked point: according to ISO-NE, natural gas has been the primary driver of emissions reductions in the New England power sector over the past two decades, as it displaced higher-emitting generation fuels.

As we consider our shared energy future, it is worth remembering the lessons of Winter Storm Fern – with pipelines constrained and as demand for electricity increased, more carbon intensive fuels like oil were relied on to satisfy the demand for electricity.

The Path Forward

An effective way to enhance reliability, improve affordability, and reduce emissions is to invest in modern, resilient natural gas infrastructure. Strategic additions to pipeline and

storage capacity are economical and impactful solutions to reducing fuel constraints and minimizing reliance on higher-emitting, trucked fuels.

The Northeast region has some of the highest energy costs in the country. However, given the proximity to the prolific Marcellus Shale and the reliable, affordable natural gas available there, it does not have to be this way.

Conclusion

The events of Winter Storm Fern demonstrate that natural gas remains indispensable to the reliability, resilience, and affordability of the Northeast's energy system. Policies that restrict necessary system modernization, through permitting delays, moratoriums, or regulatory disincentives, threaten regional economic development, result in higher emissions, increased consumer costs, reduced system resilience, and threaten life and safety during extreme weather events.

A balanced approach to infrastructure development that is collaborative between industry, the Northeast states, and our federal partners is essential. Maintaining and modernizing natural gas infrastructure will best serve homes, businesses, and the region's broader energy needs. Winter Storm Fern validated the operational strength of our natural gas system and also made clear that we are operating at the edge of our capacity. Proactive investment is required to ensure safe, reliable, and affordable energy for the Northeast.

Thank you for the opportunity to provide this testimony.