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April 13, 2018

The President
The White House
Washington, D.C. 20500

Dear Mr. President,

Regarding the recent request for emergency assistance under the Federal Power Act Section 202(c) to support certain coal and nuclear power generation assets, API opposes the request and is grateful your administration is taking time to thoughtfully consider the potential for significant, negative implications should the request be granted.

As it relates to power generation, API represents companies involved in the production and marketing of natural gas – which generated 32% of electricity in the U.S. last year – and our members are also large users of electricity. We are, therefore, keenly interested in policy that affects electricity markets.

API joined with many other trade associations in filing a letter with the Department of Energy supporting a public comment period on the application given its potential for serious impacts on markets and customers alike. We believe granting this request would be at odds with your stated goals of energy dominance, economic growth, and improving America's infrastructure.

America's energy abundance continues to be demonstrated daily, and API appreciates your support for the continued development of all resources that provide reliable, low cost energy to the American people. We also support the goal of a reliable and resilient power grid even as fundamental changes in technology and resources are changing the sources and manner of delivery of power to American families and businesses. Natural gas has been a critical part of that success story.

API supports an "all of the above" approach to America's power generation fuel mix. Natural gas and natural gas generation provide both performance and cost attributes that contribute to the reliability and resilience of the electric grid and allowing a range of fuels to compete in the market will ensure the best outcome for American families and businesses, both in cost and reliability.

As a Department of Energy grid study completed in 2017 shows, America's power grid is already fueled by a diverse mix of fuels, including natural gas, coal, nuclear, renewables and storage

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technology. In this competitive environment, natural gas has earned its market share and provided significant value to America's evolving power grid while also reducing emissions and improving air quality for all Americans.

Additionally, natural gas has demonstrated both reliability and resilience in its ability to deliver needed resources in a timely and reliable manner. During the recent hurricanes and winter weather events, natural gas performed by delivering natural gas to customers in accord with their contractual agreements. FirstEnergy says there is an emergency in need of a solution but the market operator, PJM, has indicated repeatedly this is not the case.

The natural gas industry and the shale revolution are poster children for 'letting the markets work'. The energy abundance wrought by the "shale gas revolution" is a prime example of competition at work. Regulators chose to unfetter the natural gas market and allow a truly competitive model to emerge. The entrepreneurial innovation this released resulted in the technological advances that have made the extraction of shale oil and natural gas at low cost a resounding success and propelled this nation to energy dominance. This would not have been possible without the competition that was enabled by regulators having the courage to "let the market work."

API urges you and DOE to defend the ability of customers to enjoy the economic benefits delivered to consumers while ensuring the reliable and resilient operation of the grid while achieving your policy goals. The benefits that reverberate through the natural gas and oil supply chain are tremendous and should not be jeopardized.

Respectfully,



Jack N. Gerard
President and CEO
American Petroleum Institute

Cc: The Vice President
The Honorable Rick Perry, Secretary of Department of Energy
The Honorable Lisa Murkowski, Senate Energy Committee Chairman
The Honorable Maria Cantwell, Senate Energy Committee, Ranking Member
The Honorable Greg Walden, House Energy & Commerce Committee, Chairman
The Honorable Frank Pallone, House Energy & Commerce Committee, Ranking Member
The Honorable Kevin McIntyre, Federal Energy Regulatory Commission, Chairman