



Boston, MA Office:
800 Boylston Street, 17th Floor Boston, MA 02199

Hartford, CT Office:
56 Prospect Street, Hartford, CT 06103

Joseph R. Nolan, Jr.
President & Chief Executive Officer

October 27, 2022

President Joseph R. Biden
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear President Biden:

First, let me thank you for your leadership in spearheading the passage of the Inflation Reduction Act and accelerating investments in clean energy that support decarbonizing our economy. I was proud to join you and leaders in your Administration at the White House last month to celebrate this landmark legislation that will bring much needed investment across the country and create good-paying jobs for so many Americans.

I write to you today to ask for your Administration's leadership again to swiftly address the growing concerns about winter electric reliability in New England. Eversource Energy, in partnership with many New England states and other utilities, has ramped up investments in large-scale clean energy resources including offshore wind and hydropower that will reduce dependency on natural gas for electric generation, but many of these projects will not be bringing power to the grid for several years. Thus, the New England region remains dependent on natural gas to meet our power needs this winter and for the foreseeable future as we work expeditiously to bring additional renewables online. As both an energy company CEO and a lifelong New Englander, I am deeply concerned about the potentially severe impact a winter energy shortfall would have on the people and businesses of this region.

ISO-New England, the region's electricity grid operator, and the Federal Energy Regulatory Commission have acknowledged for many months that New England will not have sufficient natural gas to meet power supply needs for the region in the event of a severe cold spell this winter. This represents a serious public health and safety threat. Consumers in New England are already experiencing skyrocketing electricity and gas costs given supply constraints and global price pressures following the Russian invasion of Ukraine. As the governors of the New England states mentioned in their letter to the Administration on July 27, New England's energy situation will have significant implications for customers of all types.

I respectfully urge you, Mr. President, to employ the emergency powers of the federal government to take all steps to ensure that adequate fuel resources will be available in the event of severe weather conditions in New England this winter.

As ISO New England has explained:¹

The natural gas pipelines that serve New England operate at maximum capacity during the winter. During very cold weather, and for extended periods, the pipelines cannot fully supply heating demand or provide enough fuel to power gas generators without significant injections of LNG on the eastern and northern parts of the New England gas system. Because New England is at the end of the interstate pipeline system and lacks large scale, long duration energy or fuel storage, both the gas distribution system and the electric power system have a dependence on imported LNG, and this reality will persist until the region invests in access to alternative long duration energy storage infrastructure.

Pipeline deliveries are routinely supplemented by shipments of foreign-sourced LNG delivered to the LNG import facility in Everett, Massachusetts, on foreign flagged vessels. However, because of the war in Ukraine, imported LNG is not available to the New England region in the volumes necessary to meet this winter's needs without causing further stress on European markets and the American economy. Additionally, increasing reliance on foreign-sourced natural gas poses a particular national security threat at this time given the war in Ukraine.

To the extent New England power generators are forced to increase their reliance on foreign-sourced natural gas – if that is even possible – it will exacerbate well-documented shortages in Europe. More fundamentally, from a national security perspective, it will put upward pressure on prices in the international market for natural gas. As a major gas supplier, Russia will directly benefit from higher prices, and that in turn threatens to subsidize the Russian military and prolong the war in Ukraine.

The federal government has at its disposal a number of emergency authorities that could relieve the risk to electric reliability New England faces this winter, if exercised in a timely way. At a minimum, federal agencies, acting within their existing established authorities, could provide relief through:

- An emergency order under Section 202(c) of the **Federal Power Act**, 16 U.S.C. § 824a(c), which may be authorized due to a sudden increase in electricity demand, a shortage of electricity, a shortage in facilities, fuel, or water for generation, or for “other causes.” This authority permits the Secretary of Energy to order “temporary connections of facilities and such generation, delivery, interchange, or transmission of electric energy” as in the Secretary’s judgment “will best meet the emergency and serve the public interest.”

¹ ISO-NE Statement, Federal Energy Regulatory Commission New England Winter Gas-Electric Forum (September 8, 2022). Notwithstanding recognition of the structural shortage situation, ISO-NE has concluded that, in mild or moderate weather conditions, fuel supplies will be sufficient. ISO-NE, Winter 2022/23 Analysis, Assessment and Recommendations. However, both ISO-NE and the Federal Energy Regulatory Commission have acknowledged a prolonged cold weather event could cause disruptions and significant price impacts. Id.; FERC, Winter Energy Market and Reliability Assessment 2022-2023 at 1.

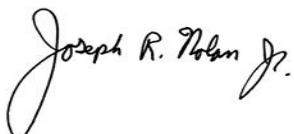
- A waiver of the **Jones Act**, 46 U.S.C. § 55102, which may be authorized by the President to meet certain temporary and targeted emergency needs in the interest of national defense, including for the shipment of LNG and other types of energy between U.S. ports.
- An emergency order under the **Natural Gas Policy Act**, 15 U.S.C. §§ 3361-3364, if the President determines that there is a severe natural gas shortage (or an imminent such shortage) in the U.S. that endangers the supply of natural gas for high priority uses, and finds the exercise of such authority reasonably necessary to meet these uses.
- Emergency authority under the **Defense Production Act**, 50 U.S.C. § 4511, permits the President (as delegated to the Secretary of Energy) to require acceptance and priority performance of contracts or orders, and to allocate materials, services, and facilities, in order to maximize domestic energy supplies and for other purposes.

To be effective, relief under these emergency authorities (and perhaps other authority that federal agencies may have) would have to be exercised on behalf of multiple entities that support the New England grid. Accordingly, to avert the potential loss of power to New England this winter, I ask you to direct the Secretary of Energy to convene all relevant parties to develop a plan to ensure the region is ready to meet the challenges one or more extreme winter weather events would present, using both the authorities available to the market participants and the federal government's emergency authorities. The need for action now is compelling. Many of the solutions require advance planning because they may require actions by regulators, finding new resources, chartering vessels, arranging for additional fuel deliveries, and other yet to be identified extraordinary actions.

At a minimum, Secretary Granholm should convene a group that includes: the federal agencies that have relevant emergency authorities, the region's governors and electricity regulators (who could play a role in supporting energy conservation measures that could work in parallel with the federal emergency authorities), ISO-New England, LNG terminal operators, the power generators that supply the region, fuel suppliers, and the utilities to whom customers look in the first instance for reliable supplies of electricity. Eversource stands ready to support and participate in such efforts.

I know that you share my concern for the people and businesses of this great region. I ask your Administration to take all necessary measures without delay.

Respectfully,



Joseph R. Nolan, Jr.

CC: Ron Klain, White House Chief of Staff
Secretary Jennifer Granholm, USDOE
Secretary Pete Buttigieg, USDOE
Secretary Alejandro Mayorkas, USDHS
Secretary Martin Walsh, USDOL
Gordon Van Welie, ISO-NE
FERC Commissioners
New England Congressional Delegation
New England Governors