Industrial Energy Consumers of America (IECA)
The Voice of the Industrial Energy Consumers

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February 6, 2025

The Honorable Shelley Moore Capito
Chairman
Senate Committee on Environment & Public Works
Washington, DC 20510

The Honorable Sheldon Whitehouse
Ranking Member
Senate Committee on Environment & Public Works
Washington, DC 20510

Re: 44 Natural Gas Pipelines Issue Orders to Manufacturers to Reduce/Curtail Use of Natural Gas Due to Inadequate Pipeline Capacity

Dear Chairman Capito and Ranking Member Whitehouse:

The manufacturing sector's economic growth has never before faced such a growing crisis as we are faced with today, due to inadequate natural gas pipeline capacity. The recent protracted cold weather has once again shown the fragility of our nation's natural gas system as 44 pipelines (see Figure 1) across the country have issued either operational flow orders (OFOs) or curtailment notices to manufacturing companies to reduce demand in order to service the needs of homeowners, power companies, and LNG exports. When there is inadequate pipeline capacity, manufacturing companies are always the first to be curtailed. Curtailment can cost millions of dollars per day, disrupt operations, damage equipment, impact supply chains for consumer, industrial, and national defense products.

Some manufacturers saw their natural gas prices increase twentyfold. If we do not reduce our natural gas consumption after notice has been given to do so from the pipeline, the pipeline can penalize the manufacturer by charging higher prices ranging from $40 per MMBtu to $120 per MMBtu.

One hundred percent of IECA member companies are from the manufacturing sector and their competitiveness is dependent upon the affordability of natural gas and electricity. Natural gas is used as a fuel and feedstock. The U.S. manufacturing sector consumes 26 percent of the U.S. natural gas and 25 percent of U.S. electricity. Manufacturing is the only sector that operates 24/7, which requires reliability of natural gas and electricity.

Weather in December and January challenged the pipeline supply chain of interstate, intrastate, and Local Distribution Systems (LDCs). Pipeline warnings/notices to reduce or curtail supply are now in both winter and summer, more frequent and severe due to higher demand for electricity generation and LNG exports. Increasing electrical demand by data centers, crypto currency, and the electrification of the economy are all intensifying the problem. Despite increased demand, the U.S. Energy Information Administration (EIA) found that the U.S. added record low interstate natural gas pipeline capacity in 2022 and 2023.

The manufacturing sector is especially vulnerable along the entire East Coast from Georgia to New York, which is supplied by the Transco Pipeline. There is zero availability of firm natural gas pipeline transportation that is needed to expand existing facilities or invest in new ones. Until there is an increase in pipeline capacity, we urge electric utilities to not prematurely shut down coal-fired electric generating units. IECA sent a letter to the Federal Energy Regulatory Commission (FERC) on February 4 urging them to address this issue by holding a Technical Conference.[1]

We ask Congress to take swift, decisive action to address this urgent problem. First, we urge Congress to quickly advance energy permitting legislation, which would expedite the expansion of our nation's natural gas pipeline network to serve our nation's growing demand.[2] Second, we urge this Committee to hold a hearing to allow manufacturing companies to explain the gravity of the impacts of inadequate natural gas pipeline supply.

Sincerely,

Paul N. Cicio
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President & CEO

The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with $1.3 trillion in annual sales, over 12,000 facilities nationwide, and with more than 1.9 million employees. One hundred percent of IECA members are manufacturing companies whose competitiveness is largely determined by the cost and reliability of natural gas and electricity. IECA's sole mission is to reduce and avoid energy costs and increase energy reliability through advocacy in Congress and regulatory agencies, such as the Federal Energy Regulatory Commission. IECA membership represents a diverse set of industries including chemicals, plastics, steel, iron ore, aluminum, paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, consumer goods, building products, automotive, independent oil refining, and cement.

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[1] IECA Requests FERC Hold Technical Conference – No Firm Pipeline Capacity Available on East Coast for Manufacturing, https://www.ieca-us.org/wp-content/uploads/02.04.25_Request-for-FERC-Technical-Conference.pdf
[2] 49 Consumer Organizations Support Permitting Reform to Build More Natural Gas Pipelines, https://www.ieca-us.org/wp-content/uploads/07.29.24_Senate_House-NG-Pipeline-Coalition-Letter_FINAL.pdf

Figure 1

1.	Atlanta Gas Light
2.	Acadian: LA
3.	Alabama Tennessee Gas Pipeline
4.	ANR Pipeline Company
5.	Atmos Energy: VA
6.	Blackhills Pipeline
7.	Columbia Gas Transmission Company: MD, VA, PA, WV
8.	Danville Utilities
9.	Dominion Energy: SC
10.	Duke Energy: OH, KY, SC, NC
11.	East Tennessee Natural Gas
12.	Eastern Gas Pipeline
13.	Enable Gas Transmission, LLC
14.	Enterprise Acadian
15.	Enterprise Intrastate
16.	Enterprise Texas Pipeline
17.	Houston Pipeline
18.	Kinder Morgan Texas
19.	Liberty Utilities
20.	Louisville Gas and Electric
21.	Michigan Gas Utilities
22.	MoGas Pipeline
23.	National Grid
24.	Natural Gas Pipeline (NGPL)
25.	NIPSCO
26.	Northern Border Ventura
27.	Northern Natural Gas: SD
28.	Northwest Pipeline
29.	North Shore Gas
30.	Ozark Gas Transmission
31.	Panhandle Eastern Pipe Line Company
32.	PECO, An Excelon Company
33.	Peoples Gas
34.	Piedmont Natural Gas: TN, NC, SC
35.	Public Service Company of Colorado
36.	Southern Natural Gas Company
37.	Spire MoGas Pipeline
38.	Summit Natural Gas
39.	Tennessee Gas Pipeline Company
40.	Texas Eastern Transmission Pipeline: TX, TN
41.	Texas Gas Service
42.	Transco: VA, NC, VA, SC, GA
43.	UGI Pipeline
44.	Until, Maine Natural Gas