

A natural gas plant guarding US Northeast from winter blackouts is at risk

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A natural gas terminal that's been operating for more than half a century has been a crucial safeguard against blackouts when bone-chilling cold hits the U.S. Northeast. In less than five months, it's slated to shut



forever.

The Everett gas import plant near Boston is at risk of closing in May, coinciding with the retirement of its biggest customer, the Mystic power station. Both facilities are owned by Constellation Energy Corp., which has said Mystic is uneconomic to operate under most conditions.

Everett's closure would jeopardize the reliability of the region's power system in <u>extreme weather</u>, according to the nation's top energy regulators. Because New England lacks enough pipelines to get gas from other parts of the country, it relies on Everett when heating demand spikes. The terminal receives cargoes of liquefied <u>natural gas</u> via tankers, mostly from Trinidad.

The facility's shutdown underscores the challenges facing America's grid as the transition to cleaner energy accelerates and climate change triggers wilder weather. While Mystic may ultimately be replaced by wind farms and solar projects, it's not clear whether those resources—and the battery storage needed to back them up—will be built quickly enough to prevent power shortfalls.

"Everett was a key resource providing additional gas supplies to New England during extreme cold," said Gary Cunningham, director of market research at energy risk management firm Tradition Energy.

Constellation is in negotiations for supply contracts that would allow it to keep Everett open, but nothing has been finalized and "time is of the essence," said Mark Rodgers, a spokesperson for the company.

Meanwhile, the Federal Energy Regulatory Commission and the North American Electric Reliability Corporation are sounding the alarm.

"Ensuring reliability and affordability could become challenging in the face of a significant winter event," FERC Chairman Willie Phillips and



NERC Chief Executive Officer James Robb said in a joint statement in November.

While this winter has been mild so far across the U.S., that may be about to change. Weather models are increasingly pointing to a cold shot across most of the country later this month, according to commercial forecaster Maxar Technologies Inc., while the Northeast is bracing for its biggest snowstorm in more than a year this weekend.

Gas is often seen as a transition fuel as the world moves to more environmentally friendly ways to generate power and heat. Everett's closure is a sign of that shift, according to Greg Cunningham, vice president of clean energy and <u>climate change</u> at the Conservation Law Foundation, an environmental nonprofit.

"There are going to be facilities that are fossil based and climate damaging that are going to go offline, and that are going to be replaced by alternatives that public policy and the markets now have chosen," he said.

Analysis by grid operator ISO New England shows that at least for next winter, the region's electricity system can withstand the retirement of Everett. Generators can secure LNG from other suppliers, like the Saint John LNG terminal in New Brunswick, Canada, or the Northeast Gateway facility off the coast of Massachusetts, ISO New England spokeswoman Mary Cate Colapietro said in an emailed statement.

Still, the grid operator says it would be prudent to keep Everett operating for now. The number of LNG import facilities in the region is limited, new infrastructure could face delays and there's uncertainty about how much winter power demand will grow as homes and businesses convert to electricity from gas, Colapietro said.



Long-term planning for gas demand hinges on how successful Massachusetts can be in its push to cut the use of the fuel for home heating in the next decade, Gary Cunningham said.

"If those programs work then the need for the LNG terminal should greatly diminish, but looking simply at the reduced demands during last year, when weather was absurdly mild, is not the right gauge by which the success should be measured," he said.

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