

Talking Points  
NATURAL GAS MARKET INTEGRITY:  
How EIA Helps

Presentation by  
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## INTRODUCTION

1. Price levels and volatility cause suspicions.
2. Actual integrity and perceived integrity are both important for markets.
3. EIA was created in response to a crisis of confidence in energy market information.

## CANDIDATE INTEGRITY CRITERIA

1. Transparency
2. Efficiency (gathering, reporting, monitoring data) v. equity
3. Stability/predictability v. dynamism/volatility
4. Clarity (understanding)

## "DRAFT" TEN COMMANDMENTS/SUGGESTIONS

1. First presented at World Energy Congress, Rome, Nov. 2007 panel on Energy Market Integrity.
2. The panel's theme was that concern about energy market integrity brings government intervention.
3. The suggested measures:
  - a. Don't place quick gains before fair competition.
  - b. Conduct transactions in appropriate markets.
  - c. Keep complete, unaltered records.
  - d. Honor rulemakers and rules.
  - e. Don't go for killings in the market.
  - f. Honor commitments to trading partners.
  - g. Do not steal.
  - h. Do not bear false witness.
  - i. Help keep others honest.
  - j. Covet honest business.

## IMPORTANT CASE STUDIES

### 1. Price Reporting

- a. Traders attempted manipulation.
- b. Federal enforcement acted against perpetrators.
- c. Business response to prosecutions reduced reporting significantly.
- d. FERC asked to intervene.
- e. FERC elected to work with market participants as a facilitator and quality reviewer.
- f. Solution worked for a few years.
- g. Some are calling for more action.

### 2. Storage Statistics

- a. EIA storage reporting originally had long delays.
- b. AGA developed close to real time storage level report for reliability issue.
- c. As report became commercially significant, AGA chose to drop it, and EIA agreed to pick it up.
- d. EIA original procedure of frequent revisions was changed after complaints.
- e. When a reporting problem got through the system, EIA and FERC worked closely to help the market get information it needed.

## CONCLUSION

1. EIA created to develop and publish credible energy market data.
2. EIA has been successful.
3. There may be more to be done.
4. While EIA may not have the resources to do more in this area, it could participate in the discussions and bring its expertise to this deliberation.