



NEWS

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Natural Gas Supply Constraints Must Be Part of Climate Deliberations, NGSA Says

(Washington, DC)... Because natural gas is clean-burning, any new U.S. policy to restrict carbon emissions could lead to an increased reliance on the fuel at a time when resources are artificially constrained by existing federal access policies, the Natural Gas Supply Association (NGSA) asserted today.

“Unless the need for more natural gas is factored into the equation, the nation’s heating, electricity and manufacturing customers could be forced to shoulder additional costs from the government’s existing exploration and production access restrictions,” according to a statement by NGSA President and CEO Skip Horvath.

“Policymakers should be careful to ensure the needs of American consumers by not inadvertently putting more upward pressure on natural gas prices,” said Horvath, one of several leading energy executives participating today in a media forum hosted by the United States Energy Association (USEA).

As part of the USEA’s third annual “State of the Energy Industry” briefing at the National Press Club, Horvath participated on a panel focusing specifically on potential natural gas-related issues arising from the change in leadership for the newly seated 110th Congress.

“NGSA members believe the existing U.S. climate policy of voluntary efficiency gains is working, and we look forward to being at the table as congressional leaders begin to introduce and consider a variety of further steps that might be taken,” he said.

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“As we continue to actively discuss these issues and look toward a possible consensus about the best way forward, it is clear that even existing air quality regulations mean that natural gas will continue to have an increasingly important role to play. It is crucial that we not allow ourselves to rest on the access accomplishments of the last Congress, especially so if further emissions regulations are ultimately enacted.”

“Looking ahead, we asked ourselves about the potential for unintended consequences from any renewed climate-change debate,” Horvath said, “and the answer that kept coming back was the potential for more upward pressure on natural gas costs.”

“With that in mind, and because natural gas has always had broad bipartisan support due to its environmental contributions, NGSA believes it is a crucial time to remind federal policymakers that maximizing these contributions has to go hand-in-hand with additional access to the most economic resources,” he said.

“We believe it also means Congress should avoid any backward steps in terms of fostering additional natural gas supply. Measures to take away certain tax and royalty relief for high-risk production, as well as to penalize existing OCS leaseholders, represent a disincentive for ongoing investment and threaten the gains we are witnessing in record domestic rigs and natural gas well completions.”

NGSA represents integrated and independent companies that produce and market natural gas in the United States. NGSA is actively involved in pursuing regulatory and legislative issues that affect the association's members. Established in 1965, NGSA encourages expanded use of natural gas and supports regulatory and legislative actions that foster competitive markets.