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Climate Legislation Will Impact Natural Gas Consumers, Industry Says *Demand will increase by 20 percent*

(Washington, DC) Experts from the natural gas industry are warning that the use of natural gas could increase dramatically under climate change legislation being considered on Capitol Hill. A summary of their findings is being sent to Congress today.

“We want members of Congress to understand that their actions will have serious consequences for America’s natural gas customers,” said Dave Parker, president and CEO of the American Gas Association and a member of the Natural Gas Council. “Meeting the nation’s clean air goals requires natural gas and lots of it. While the natural gas industry whole-heartedly supports increased energy efficiency, conservation, and use of renewable fuels, U.S. energy demands cannot be met by these measures alone.”

The council’s findings contradict an earlier analysis by the federal government’s Energy Information Agency (EIA), which indicated that natural gas use would decline if legislation sponsored by U.S. senators Joe Lieberman and John McCain (S. 280) becomes law.

According to industry experts, if this legislation is enacted, natural gas consumption actually could increase by approximately 20 percent over the course of the next decade.

The difference between the Natural Gas Council’s and EIA’s estimates hinges primarily on nuclear power. The EIA analysis estimated that the United States would need to add 145 new nuclear reactor units in the next twenty-two years. The Natural Gas Council’s review estimates that, due to political opposition driven by environmental and safety concerns, the actual number of new reactors will be closer to 25.

“Because of the rules under which EIA operates, that agency didn’t factor in the political and societal realities industry and policy makers will need to face when complying with a possible climate change law,” said council member Barry Russell, president and CEO of the Independent Petroleum Association of America. “When such realities are considered, the same analysis reveals a very different and striking impact on energy markets.”

“As a country we need nuclear power, solar, wind and coal too. But electric utilities are switching to natural gas because it provides on-demand power and clean air objectives quickly,” said council member Skip Horvath, president and CEO of the Natural Gas Supply Association.

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According to another council member, Don Santa, the president of the Interstate Natural Gas Association of America, such a switch to natural gas must be accompanied by increased access to new natural gas supplies.

“There is currently an estimated 250 trillion cubic feet of natural gas – more than 10 years of supply at the country’s current rate of consumption - that is off limits to U.S. consumers,” Santa said. “If we had access to those areas, we could help the United States economically achieve its goals to reduce greenhouse gas emissions and keep downward pressure on prices.”

In addition to the legislation introduced by senators Lieberman and McCain, last December the Senate Environment and Public Works Committee approved the “America’s Climate Security Act” (S. 2191) by a vote of 11-8. That legislation, sponsored by senators Joe Lieberman and John Warner, would require larger reductions of greenhouse gas emissions than the McCain-Lieberman bill. The Natural Gas Council is currently working on a more thorough analysis of the Lieberman-Warner legislation, an analysis that is expected to be finished in the spring.

Members of the Natural Gas Council include the American Gas Association, Interstate Natural Gas Association of America, Independent Petroleum Association of America, and the Natural Gas Supply Association.

The three page summary sent to Congress today and the full report are posted on the websites of the Council members: www.aga.org, www.ingaa.org, www.ipaa.org and www.ngsa.org.

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