



A Successful U.S. Climate Policy Will Ensure Economic Opportunity for Americans

A Position Statement of the
Natural Gas Supply Association

The Natural Gas Supply Association (NGSA) welcomes the important national policy debate about possible ways for the federal government to prudently reduce the risk of serious impacts associated with climate change. In evaluating policy options to lessen the contribution of expanding global emissions of greenhouse gases (GHG), it is important that these discussions include an evaluation of the potential economic risks and, perhaps, unintended hardships that could be placed on consumers.

Pending the development of a policy approach that strikes such an appropriate and necessary balance for Americans, NGSA will continue to urge aggressive voluntary approaches, including market-driven technology enhancements and emission-reduction targets. By supplying clean-burning natural gas and constantly striving for efficiency gains in the exploration and production segment of the energy industry, NGSA member companies will continue to make significant contributions to the environment, the economy and U.S. energy security. Evolving federal policies should also continue to facilitate progress in all three goals simultaneously.

Consistent with this approach, NGSA supports the broad climate-change policy guidance of the American Petroleum Institute, and will remain focused on a key component of those recommendations: “avoiding damage to the economy posed by cost-ineffective policies that would involve unrealistic, near-term emission targets and timetables.”

Specifically, NGSA will concentrate on those policy discussions involving stationary-source emissions, which is an inherently separate dialogue than the one addressing mobile-source policies and efficiencies.

Most notably, the association urges policymakers to avoid any regulatory approach to climate change that does not also include the following:

- Global coordination to ensure both real progress on climate change and a level international playing field for competing U.S. businesses;
- National consistency, including the initial establishment of reasonably assured benchmarks and standards;
- Provisions providing greater access to the most viable U.S. energy resources, necessary to counterbalance a foreseeable and likely increase in natural gas demand that would result from mandatory GHG reductions;
- Market-based approaches that are simple to administer and provide clear, sustainable goals that will allow industry and customer participants to determine appropriate solutions;
- Encouragement for early technical innovation and voluntary reductions of GHG as any regulations are phased in;
- Consistency with the existing regulatory structures among federal agencies, including a lead role for the Federal Energy Regulatory Commission (FERC) where any changes to wholesale natural gas and electricity markets might be required;
- And, a point of regulation that, for stationary sources promotes market incentives to reduce GHG impacts, which may in fact be closer to the point of emission than the point of fuel production.

Historically, a balanced approach to energy and environmental objectives is most effective when federal policymakers rely upon market-based solutions – and they should continue to do so with regard to evolving U.S. climate policy.

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.