

Successful U.S. Climate Policy Balances Economic Opportunity with Environmental Goals

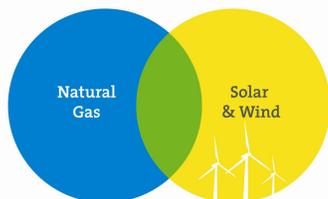
Key Principles for Climate Regulation

The Natural Gas Supply Association (NGSA) supports thoughtful and deliberate consideration of climate policy. Clean natural gas is the key to a sustainable energy future, helping the U.S. meet its economic, environmental, and energy goals.

NGSA is engaged in the important policy debates to reduce the impacts associated with greenhouse gas (GHG) emissions and believes policy discussions regarding climate regulations should also mitigate economic risks to the U.S. economy.

The association believes climate-change proposals should incorporate the most transparent and cost-effective solutions. Cost-efficiency and success in controlling emissions will be best achieved through a uniform national policy. A patchwork of state and local regulations or the use of the Clean Air Act could hamper efforts to reduce emissions and slow economic growth.

NGSA remains focused on supporting policies that protect the economy while opposing any unrealistic, near-term emission targets and timetables, and on policy discussions involving stationary-source emissions, which are inherently separate from mobile-source policies and efficiencies. Pending the development of a national policy approach, NGSA continues to urge aggressive voluntary approaches, including market-driven technology enhancements and emission-reduction targets. ■



Working Together for a Cleaner Future

Natural gas, the cleanest burning fossil fuel, is domestically produced, fuels more than 100,000 vehicles in the U.S., heats 60 million U.S. homes and is the source of about 25% of U.S. energy. Natural gas is used to generate 20% of U.S. electricity, is essential to continual reliability and occupies the least amount of land for the amount of electricity generated. Technological advances have reduced production footprints to 1/10 the size of the 1970 footprint. To learn more about the benefits of natural gas, visit www.ngsa.org and www.naturalgas.org

NGSA urges policymakers to strive for a legislative approach that embraces the following principles in any new climate-change policy:

- **Coordinate globally** to ensure real progress on climate change and a level international playing field for competing U.S. businesses.
- **Establish a uniform national policy** that is flexible and effectively controls emissions.
- **Provide greater access to viable natural gas supplies** and avoid disadvantaging production, processing or delivery.
- **Distribute emission allowances equitably** for all fossil fuels, including natural gas, to ensure continued market benefits of fuel diversification and the environmental benefits of natural gas.
- **Apply non-discriminatory CCS technology funding** based on a cost-benefit determination, if funding is provided.
- **Employ a market-based regulatory approach** that is simple to administer, minimizes costs, and provides clear, sustainable goals. Doing so will allow industry and its customers to determine appropriate solutions to efficiently reduce GHG emissions.
- **Align federal, state and utility efficiency standards and consumer incentives** in ways that encourage the development of energy efficient products and processes. Under no circumstances should Congress mandate a reduction in the use of natural gas.
- **Encourage early technical innovation and voluntary reductions** of GHG, including recognition of actions taken before any program is phased in.
- **Retain consistency with existing regulatory structures** among federal agencies, including a lead role for the Federal Energy Regulatory Commission (FERC) where any changes to gas and electricity markets might be required.
- **Establish point of regulation for natural gas, if cap and trade is used**, as close as practical to the point of emissions with the goal of minimizing administrative complexity and maximizing transparency.