NEWS

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Market Forces Driving Increased Use of Natural Gas, Cleaner Energy Mix

NGSA says well-functioning markets yield cost and environmental gains for consumers; calls for infrastructure and competitive market principles

(Washington, D.C.) – The Natural Gas Supply Association (NGSA) today released a report by <u>Pace Global</u> on the critical role natural gas has played and is poised to continue to play in generating clean and affordable electricity in the United States. NGSA released its own policy recommendations along with the report.

The report by Pace Global, *Natural Gas: Essential to a lower carbon energy future*, documents numerous reasons that the U.S. electric industry has vigorously adopted natural gas for power generation and further demonstrates that the change has been the result of market forces. Pace Global provides market advisory services incorporating the firm's commercial expertise on factors such as fuel, financing, risk management and environmental strategies to help guide energy companies' business and investment decisions.

NGSA President and CEO Dena E. Wiggins said, "The Pace Global report's findings validate what we already suspected: electric utilities and generators have increased their use of natural gas because of its cost, reliable performance and environmental savings. Those factors will continue to fuel the power sector's embrace of natural gas, with or without federal low-carbon regulations," she said.

"Greater use of natural gas already has been a major cause of the energy sector's cuts in carbon emissions. In 2016, the energy sector used natural gas to generate electricity at the highest levels on records, and at the same time achieved the lowest carbon emissions in almost 25 years," said Wiggins.

The Pace Global report further demonstrated how use of natural gas-fired generation provides a reliable and necessary back-up for renewable energy, enabling greater use of renewable sources in the energy mix, and thus leading to additional reductions in emissions.

Wiggins said NGSA commissioned the study in order to document the importance of natural gas to clean air policy goals. NGSA plans to use the report to help educate policymakers at the federal and state levels.

NGSA advocates for incorporating competitive market principles when implementing any regulatory framework. NGSA made the following policy recommendations in tandem with the report's release:

- Include natural gas as a solution in clean energy policies to help reduce greenhouse gas emissions;
- Oppose policies that distort the market, such as subsidies for uneconomic generation sources;
- Oppose policies that seek to place natural gas at a disadvantage by unnecessarily stalling needed pipeline infrastructure; and
- Employ a market-based approach that is realistic, considers costs and provides clear sustainable goals.

The Natural Gas Supply Association (NGSA) represents integrated and independent companies that supply natural gas. Established in 1965, NGSA encourages the use of natural gas within a balanced national energy policy, and promotes the benefits of competitive markets, thus encouraging increased supply and the reliable and efficient delivery of natural gas to U.S. customers. For more information, please visit www.ngsa.org and www.ngsa.org. Follow NGSA on Twitter @natgas_ngsa.