



February 3, 2020

Members of the Subcommittee on Energy
Committee on Energy & Commerce
United States House of Representatives
Washington, DC 20515

Dear Members of the Subcommittee on Energy:

As organizations representing the natural gas value chain, we are writing to express our support for sound federal policy that facilitates the continued development of natural gas infrastructure.

Energy is the capacity to do work. Without it, everything stops. When it is expensive, families spend and travel less. When it is unreliable, households, communities, and businesses cannot effectively plan. Newfound energy abundance in the United States has driven sustained economic growth over the last decade.

This rapid transformation happened because of technologies that unlocked America's energy in a remarkable way. The domestic natural gas picture shifted quickly from perceived scarcity during the early 2000s, when we raced to build natural gas import terminals to receive gas from foreign

sources, to widely acknowledged abundance during the last decade. Today, American production is meeting our needs for natural gas at home and supplying allies and trading partners abroad. With this newfound abundance comes a need to modernize and expand our energy delivery system safely, responsibly, and efficiently to transport natural gas from where it is produced to where it is consumed. This includes building additional gathering, transmission and distribution infrastructure to deliver critical domestic energy to electric plants, manufacturers, homes, and businesses.

The benefits of America's natural gas abundance would not be possible without the Natural Gas Act, a legal and permitting framework that governs a fair, timely, and efficient expansion of the interstate energy infrastructure needed to connect producers and consumers. As Congress revisits energy policy in the context of today's economic and environmental imperatives, it is important to recognize that the Natural Gas Act has and continues to operate to enable the buildout of energy infrastructure that has provided the American people with access to our nation's natural gas. The Act has facilitated an evolving and growing natural gas infrastructure system capable of meeting radically-changing needs of homeowners, small businesses, electric plants, and manufacturers.

Over the past decade, America's energy infrastructure companies have created hundreds of thousands of jobs, invested billions in communities, and made it more affordable for American families to heat their homes and cook their food. According to the White House Council of Economic Advisors, thanks to affordable natural gas, a family of four now enjoys approximately \$2,500 in annual savings.

Abundant natural gas has benefitted the nation's economy. According to the National Association of Manufacturers, between 2013-2018, natural gas development generated \$101 billion in real gross domestic product (GDP) growth each year, resulting in approximately 730,000 more American jobs that contributed \$87 billion more in annual disposable income. The chemical manufacturing industry, the single largest industrial consumer of natural gas, has invested over \$202 billion in new plant capacity, in part because of the industry's ability to access cheap gas, which has created a competitive advantage for the U.S. manufacturing sector. This has created \$292 billion in new economic output and is predicted to generate 786,000 direct and indirect jobs by 2025, according to the American Chemistry Council. The infrastructure buildout itself creates opportunities for America's skilled trade workers; there are 58 jobs for every mile of new transmission pipeline built.

The environmental benefits are substantial as well. Since 2005, the use of natural gas is responsible for more than 60 percent of U.S. electricity generation CO₂ reductions, according to the Energy Information Administration. The natural gas industry at the same time has worked hard to reduce its direct emissions. Methane emissions from onshore petroleum and natural gas production dropped 22 percent over the 2011-2018 period. Natural gas pipeline transmission and storage facilities lowered methane emissions by 43 percent, and distribution pipeline systems lowered emissions by 73 percent between 1990-2017, according to data reported to the Environmental Protection Agency. During the short span between 2011-2017, average methane emissions from natural gas compressor stations dropped 23 percent, another hallmark of the industry's commitment to environmental responsibility through innovation.

The environmental gains do not end with reduced emissions. Electric plants powered by natural gas make possible the rapid integration of renewable energy sources because natural gas-powered plants meet electricity demand when renewables cannot be dispatched. Former Energy Secretary Ernest Moniz characterized this complementary relationship well when he said “[a]s more and more variable resources are brought into the electricity system, the more you are going to need natural gas for the balancing of that system.”

This partnership is on display across the country. Take the Ivanpah Solar Electric Generating System in the Mojave Desert, the world’s largest solar plant with a gross capacity of 392 megawatts. Natural gas is a critical part of the plant’s functions and is used every day to jump start operations. Similarly, the Martin Next Generation Solar Energy Center, the second-largest solar facility in the world, is the first hybrid solar facility that combines a solar thermal array with an existing combined cycle natural gas electric plant. The plant is projected to produce 155,000 megawatt-hours per year—enough electricity to serve nearly 11,000 homes or 26,000 people.

To continue fully realizing the benefits of America’s natural gas abundance, additional energy infrastructure is needed. According to ICF International, the United States will need an additional 26,000 miles of natural gas transmission infrastructure—more than \$150 billion in investment—between 2018 and 2035.

Underpinning the ability to make timely investments in our natural gas delivery system is the Natural Gas Act, which provides a clear road map for how new energy infrastructure is evaluated and built. The consumer and environmental benefits, economic and job growth, and increased national security attributable to natural gas abundance would not have been possible without the Natural Gas Act’s framework for energy infrastructure development.

As Congress examines how energy policy can harness America’s energy abundance, support job creation, advance our nation’s geopolitical priorities and meet pressing environmental challenges, we urge policymakers to recognize the contributions made possible by natural gas infrastructure.

Respectfully,

American Gas Association

American Petroleum Institute

American Public Gas Association

Energy Equipment & Infrastructure Alliance

Energy Infrastructure Council

Independent Petroleum Association of America

International Union of Operating Engineers

Interstate Natural Gas Association of America

Laborers' International Union of North America

Natural Gas Supply Association

United Association of Union Plumbers and Pipefitters