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Natural Gas Council Applauds MIT Report and Notes that it Affirms NGC Climate Positions

(Washington, DC) – A recently released report on natural gas written by researchers at the Massachusetts Institute of Technology (MIT) says that “natural gas is the most economical way to achieve a target of reducing carbon dioxide emissions by 20 percent.” The report, titled “[The Future of Natural Gas](#),” offers several policy recommendations which mirror those advocated by the Natural Gas Council, an umbrella organization for several natural gas trade associations in Washington, DC.

The new study is a part of series produced by the MIT Energy Initiative. Other reports have covered coal, nuclear power, and geothermal energy.

“The Natural Gas Council is pleased that this new MIT report affirms the importance of natural gas in reducing carbon emissions. The report recommends that policymakers create a ‘level playing field’ where all energy resources can compete with each other, and where natural gas is likely to gain significant market share given its attributes. With this in mind, we hope Congress will ultimately approve a Clean Electricity Standard that includes a role for high efficiency natural gas generation” said Don Santa, president of the Interstate Natural Gas Association of America.

“The report authors should be commended for acknowledging the 40 year track record set by natural gas residential and small commercial customers who have steadily reduced their emissions through more efficient appliances, tighter homes and additional energy efficiency measures. America’s natural gas customer have paved the way toward a lower-carbon future and should be treated accordingly by Congress as it considers energy and climate change legislation,” said David N. Parker, president and CEO of the American Gas Association.

“This report makes a strong statement on the abundance of U.S. natural gas supplies. Given this robust supply picture, and given our need to provide greater energy security for America, policymakers must reject proposed initiatives that would target the natural gas industry for higher taxes and regulations that would impede the development of American natural gas while providing no additional environmental benefits,” said Barry Russell, president and CEO of the Independent Petroleum Association of America.

“The MIT report provides some of the best arguments to date as to why energy and climate policy need to be fuel neutral, so that natural gas can play an appropriate role in reducing emissions and meeting the nation’s energy needs. The report also points out the need for carbon sequestration research to include natural gas as well as coal,” said R. Skip Horvath, president and CEO of the Natural Gas Supply Association.

The Natural Gas Council collectively represents nearly all companies that produce, transport and distribute natural gas consumed in the United States. It includes members of the American Gas Association, the Independent Petroleum Association of America, the Interstate Natural Gas Association of America and the Natural Gas Supply Association.

The complete Natural Gas Council Climate Change Positions follow.

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The American Gas Association, founded in 1918, represents 195 local energy companies that deliver clean natural gas throughout the United States. Ninety-one percent of the more than 70 million residential, commercial and industrial natural gas customers in the U.S. receive their natural gas from AGA members. For more information, please visit www.aga.org.



INGAA is a trade organization that represents the interstate natural gas transmission pipeline companies operating in the U.S., Canada and Mexico. Its members transport over 95 percent of the nation's natural gas through a network of 220,000 miles of pipelines. For more information, please visit www.ingaa.org.



Founded in 1929, the Independent Petroleum Association of America (IPAA) represents more than 5,000 companies that drill 90 percent of the nation’s natural gas and crude oil wells. These companies account for 68 percent of domestic crude oil production and 82 percent of U.S. natural gas production.

Please visit www.ipaa.org for more information.



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 to ensure reliable and efficient transportation and delivery of natural gas and to increase the supply of natural gas to U.S. customers. For more information, please visit www.ngsa.org, www.naturalgas.org and www.bluejobs.org



Natural Gas Council Climate Change Positions

Natural gas is the cleanest fossil fuel available today and the United States has plentiful domestic natural gas supply sources. With continued access to this vast resource base and the use of economically, environmentally sound and socially responsible hydraulic fracturing practices, natural gas can play a significant part in meeting our energy and environmental policy goals.

The Natural Gas Council (NGC) includes members of the American Gas Association, the Independent Petroleum Association of America, the Interstate Natural Gas Association of America and the Natural Gas Supply Association. These associations collectively represent nearly all firms that produce, transport and distribute natural gas consumed in the United States.

If the Congress sees fit to enact comprehensive federal climate change legislation, the NGC believes that such legislation must, at a minimum, meet the following criteria:

- 1. A Clean Energy Standard Should Include Natural Gas: If Congress enacts a clean energy standard or other mandate that includes particular fuels or technologies for generating electricity, it should avoid creating a power mandate that overlooks the benefits of increased natural gas generation. Natural gas should be appropriately credited as an eligible resource in a clean electricity standard.*

- 2. Source-Based Energy Efficiency Standards: The NGC supports*
 - a. Legislation that would accurately assess the full carbon impact of energy use on the environment by switching from the existing point-of-use methodology to a source-based methodology to measure energy efficiency and carbon emissions.*
 - b. Technologically and environmentally justified building codes and standards that benefit the consumer by improving energy efficiency and reducing greenhouse gas emissions.*
 - c. Carbon labeling for appliances and federal research and development funding for end-use applications of natural gas.*

- 3. Emissions Allowance Allocations: If Congress adopts a cap and trade plan or other similar means to regulate greenhouse gas emissions:*
 - a. The NGC believes that it is critical that a price on carbon provide a clear signal to the market about the merits of different fuel choices.*

- b. *If free allowances are allocated, the NGC urges Congress to avoid an allocation scheme that undermines the potential contribution to the power sector of abundant, domestic, and clean natural gas.*
 - c. *Congress should establish a pool of allowances to support a voluntary transition to natural gas to ensure this key resource a meaningful role in our emission reduction strategy.*
 - d. *Further, should allowances be allocated to reduce economic hardship on electricity consumers, allowances should also be allocated on an equal basis to reduce economic hardship on residential, commercial and small industrial consumers of natural gas.*
4. *Federal Preemption:* *The NGC believes that comprehensive climate legislation aimed at reducing greenhouse gas emissions should expressly preempt any duplicative or inconsistent federal, state or local laws or regulations.*
5. *Access to Domestic Natural Gas Supply:* *Federal policy and regulation should ensure that access to the outer continental shelf is expanded and onshore access is increased for economically and environmentally sound exploration and production of natural gas.*
6. *Natural Gas as Best Available Control Technology:* *Because there exist no practical means for achieving additional emissions reductions for sources that already consume natural gas (i.e., natural gas fired engines, turbines or other industrial equipment), the NGC requests that, in connection with the tailoring rule, the Environmental Protection Agency issue guidance that the consumption of natural gas constitutes best available control technology for such sources.¹*

¹ This position does not address the issue of what should constitute BACT for combustion sources that use other fuels.