

For immediate release: January 16, 2014

Study: New reality of affordable, abundant and efficient natural gas requires visionary thinking to increase use

Updating policies will help realize the full potential of a natural gas-fueled future

Washington, D.C. – The new abundance and availability of domestic natural gas is opening up opportunities for consumers, businesses and industries to expand their use of this fuel source, as detailed by a study released today from IHS CERA and the American Gas Foundation (AGF). However, in some cases, the study finds that policies need to be revised to clear the way for all Americans to experience the energy efficiency, environmental and affordability benefits.

The study, “Fueling the Future with Natural Gas: Bringing it Home,” is the successor to the original 2001 “Fueling the Future” study and outlines how natural gas has altered the U.S. energy landscape over the past decade, benefiting consumers and businesses. The study connects the abundance of natural gas in the United States with a domestic market that can be expanded beyond its current usage to provide new growth prospects for all sectors of the U.S. economy, in addition to traditional residential, commercial, industrial, power and transportation uses.

“Today, natural gas is plentiful and accessible, and there are many potential benefits for residential and business customers beyond today’s traditional applications,” said Chris Johns, president of Pacific Gas and Electric Company and chairman of AGF. “In order to make these future opportunities a reality for our customers and the nation as a whole, we must update policies, invest in safe and reliable infrastructure, and educate our customers about the many potential new benefits.”

The study calls for a strong working relationship between American policymakers, communities, natural gas utilities, and customers to facilitate the benefits of this increasingly important fuel source.

“Many policies surrounding natural gas were developed during a time when natural gas was perceived to be scarce,” according to Dave McCurdy, president and CEO of the American Gas Association and board member of AGF. “All Americans stand to gain if we make investments and update our policies to realize the full potential of a natural gas-fueled future. We must have a substantive dialogue about our energy choices that reflects today’s reality. The Fueling the Future study provides the foundation for those conversations and the development of a smart approach surrounding the utilization of natural gas at the national and local level to ultimately benefit consumers and the nation as a whole.”

As detailed in the study, technological advancements are taking place in the areas of natural gas home appliance technology, CNG and LNG vehicles and even industrial applications. In some regions, oil-based heating is quickly being replaced with natural gas furnaces, several gas-intensive industries are expanding their U.S. operations, and small-scale natural gas power micro-grids are becoming realities.

Natural gas is transported via the United States’ 2.4 million miles of natural gas pipelines directly into homes and businesses, dramatically reducing emissions and energy lost during transportation. This capability results in natural gas appliances having 92 percent full-fuel-cycle energy efficiency, compared to the electric system’s 32 percent efficiency, reducing utility bills and life-cycle costs. Low natural gas prices are expected to increase real disposable income per household by approximately \$2,000 in 2015 and more than \$3,500 by 2025.

“When we look at the full picture— from production to consumer —natural gas provides significant energy efficiency benefits. Energy efficiency regulations need to focus on improving efficiency on a full journey basis and not just at the end use,” McCurdy said.

“The increased and strategic use of American natural gas across all sectors will help achieve national goals of reducing our costs for energy, environmental protection and energy security. But reaching these goals requires

understanding and a visionary response on the part of government, natural gas utilities and their customers,” McCurdy continued. “America’s natural gas utilities stand ready to help realize the potential of natural gas and usher the nation toward 21st century uses.”

To learn more and to access the executive summary or the complete “Fueling the Future with Natural Gas: Bringing it Home,” study, visit www.FuelingTheFuture.org.

###

Founded in 1989, the AGF is a 501(c)(3) organization focused on being an independent source of information research and programs on energy and environmental issues that affect public policy, with a particular emphasis on natural gas. Overseen by a board of trustees, the AGF has delivered numerous key public policy reports since 2000 and has sponsored executive level forums and events focusing on energy supply. For more information, please visit www.gasfoundation.org.