

Natural Gas [1]



This is an exciting time in our nation's history as the U.S. is leading a global renaissance in natural gas development. Companies are employing new technologies and millions of American workers to make an enormous domestic supply of clean energy available for generations to come. Technological breakthroughs have made rich reserves of natural gas widely available, introducing price stability to once volatile natural gas markets and uncovering more than a 100-year supply. Annual natural gas production has risen by over 6.7 trillion cubic feet (Tcf) or 26% since 2005 while the price has decreased by 69% since 2008.

[2]

With the domestic increase in natural gas production and growing reserves, U.S. energy policy should no longer be based on the notion of scarcity, as it has been for several decades. For example, the Natural Gas Act of 1938 prevents approval of exports to countries without a free trade agreement (FTA). Exporting to countries without a FTA, currently about 96% of global LNG demand, requires approval by the Energy Secretary, a lengthy process which is stifling free trade in natural gas. [3]

Natural gas has three characteristics that make it ideal for our energy future—it is abundant, affordable, and clean.

Abundant

The Colorado School of Mines Potential Gas Committee estimates U.S. natural gas potential resources at 2,384 Tcf, an increase of 27% since 2005. At current consumption rates, potential resources represent a 110 year supply that positions natural gas as a crucial component of our nation's energy portfolio for the foreseeable future. As recently as 2005, the United States was preparing to import natural gas as proved reserves ran low, but now companies are attempting to license and build export facilities.

Affordable

America's huge supply of natural gas has kept prices low, benefiting residential and commercial consumers. Natural gas prices have decreased by 69% since 2008, saving American families on their heating and electricity bills. According to IHS, households pocketed \$1,200 in savings from low natural gas prices in 2012, and that number will rise to \$2,000 by 2015.

[4]

Clean

As the cleanest burning fossil fuel, natural gas is playing an increasingly important role for reducing air and greenhouse gas emissions. Natural gas produces about 95% fewer emissions of criteria pollutants and 50% fewer carbon emissions than coal. While policymakers are locked in debate over regulating CO₂ and other greenhouse gases that have no direct health impacts but potential climate change impact, there is no dispute that emissions of sulfur, mercury, and lead can have profound negative public health and environmental impacts. When it comes to these sources of known air pollutants, natural gas emits effectively none.

Therefore, policies that intentionally place limits on the development of American natural gas are counterproductive to the clean air goals of our country. Federal policies that limit public lands access and EPA regulations focused only on emissions from production while ignoring the full lifecycle air quality benefits of natural gas are constraining development,

which inhibits further use of clean natural gas to power our economy.

Electricity from Natural Gas is Key To Reducing Greenhouse Gas Emissions

Natural gas electricity generation has greatly reduced U.S. CO₂ emissions. From 1997 to 2012, the amount of electricity generated by natural gas has increased from 21.6% to 29.4%, mostly by replacing coal generation. As a result, American energy-related CO₂ emissions in 2012 were the lowest they have been since 1994.

As the cleanest burning fossil fuel, natural gas is playing an increasingly important role in reducing common air pollutants and greenhouse gas emissions from the power generation sector, which is the largest source of both types of emissions. Natural gas produces about 95% less emissions of criteria pollutants and 50% less carbon emissions than coal.

When it comes to intermittent renewable electricity generation, natural gas enables wind and solar power by filling in during the large gaps of time when the wind isn't blowing and the sun isn't shining.

Natural Gas Is Bringing Manufacturing Back to the U.S.

The low price of natural gas is reviving American manufacturing and creating hundreds of thousands of jobs as companies build or expand plants. Natural gas is a major input to fertilizer manufacturing, and natural gas liquids are an important feedstock for chemical manufacturing. The American Chemistry Council reports that manufacturers are planning 148 new chemical manufacturing projects to take advantage of abundant, affordable natural gas and liquids supplies. ACC anticipates over \$100 billion in new capital investment will create 637,000 permanent new jobs in the chemical industry and add \$81 billion in annual economic output by 2023.

European companies are moving their manufacturing to the United States to take advantage of our abundant natural gas supply. BASF is converting a crude-based naphtha cracker in Port Arthur, TX, to run on natural gas-based ethane. Linde, a German industrial gas company, plans to invest \$200 million in Texas to create the world's largest natural gas-based syngas chemical plant.

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- In a national survey, more voters chose natural gas (38%) as their preferred source of energy than wind (10%) and solar (27%) combined.
- A 1% global move to natural gas from coal saves the equivalent greenhouse gas emissions of an 11% increase in renewable energy.
- Global natural gas consumption is predicted to grow by 1.7% per year through 2040, according to the U.S. Energy Information Administration.
- Natural gas produces about 95 percent fewer emissions of criteria pollutants and 50 percent fewer carbon emissions than coal.
- Thanks to natural gas, American energy-related CO₂ emissions in 2012 were the lowest they have been since 1994.
- Natural gas enables renewable energy by serving as a backup to wind and solar when the wind isn't blowing and the sun isn't shining.
- According to the American Chemistry Council, a 25% increase in ethane supply, a commonly used natural gas liquid, will lead to 412,000 new jobs in the chemical industry, more than \$132 billion in U.S. economic output and \$4.4 billion in new tax revenues.
- According to the Industrial Energy Consumers of America, an American manufacturing renaissance is under way because of low natural gas prices. Companies are investing \$110 billion in 123 projects that will create 5 million new jobs.
- Low electricity prices are also driving manufacturing back to the U.S. from Germany and other countries that lack access to abundant natural gas.

Related Content:

[America's New Energy Future: The Unconventional Oil & Gas Revolution and the US Economy](#) ^[5]

[U.S. Energy Information Administration's Natural Gas Data](#) ^[6]

[Natural Gas: Smallest Footprint of All Energy Sources](#) ^[7]

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