

Testimony Before the Senate Committee on Environment and Public Works
in a hearing entitled
Promoting American Energy Security by Facilitating Investments
and Innovation in Climate Solutions

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Chairman Carper and Ranking Member Capito, thank you for the opportunity to testify today. When Russian tanks rolled across the border of Ukraine, the realities of energy as a fundamental component of international security became crystal clear. The dependence of Europe on Russian oil and natural gas has created instability and constrained the response from the United States and the West. Sanctions that squeeze Russian energy sources have meant even higher energy prices in Europe.

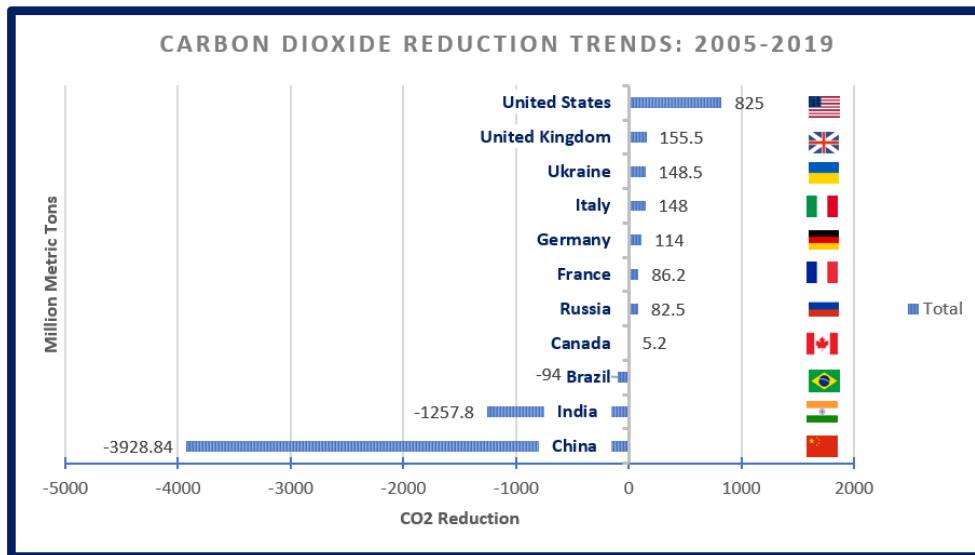
Western Energy Alliance represents about 200 companies engaged in all aspects of environmentally responsible exploration and production of oil and natural gas in the West. Alliance members are independents, the majority of which are small businesses with an average of fourteen employees.

Luckily, the United States is the number one producer of oil and natural gas in the world. We are ramping up production in response to high commodity prices to help bring those prices down while providing Europe with clean, reliable sources of energy. Over time, we can do more to ensure Europe's energy security by reducing its dependence on Russia. We are proud that we supplied [more natural gas to Germany than Russia did via pipeline in January](#) through Liquefied Natural Gas (LNG) exports. We applaud the Biden Administration for approving two LNG export licenses last week, a move I hope indicates that the harsh realities of energy security are starting to shift policies towards supporting American oil and natural gas production.

There is another contribution we make that may not be as obvious as the undeniable role of oil and natural gas as a strategic energy security asset. That contribution is as a partner in addressing climate change. While those ascribing to the orthodoxy that climate change can only be solved through top-down government policies that eliminate fossil fuels may wish to deny our role, the reality is that we are a vital partner in any real attempt to address climate change. Simply put, the energy we provide is too vital to the well-being of humanity to be eliminated. In the absence of alternatives that do everything oil and natural gas do, eliminating them would subjugate humanity to a grim future of scarcity where basic human needs are not met.

Our industry not only heats homes, provides mobility, and powers all facets of the economy, but puts food on the table, medicine in the medicine cabinet, and delivers clean drinking water to the tap. Without the energy and products we provide, modern life is not possible. Every medicine and medical device, anything with a computer chip, and countless other products require oil and natural gas feedstock. Providing more oil and natural gas to the world will bring those benefits to the billion people without sufficient energy and help lift them out of poverty. Only natural gas, coal, nuclear, and hydropower reliably provide 24/7 power, yet all are opposed by activists who promote climate change policies that would limit their use. It's time to get real.

Oil and natural gas also provide a net benefit to the environment. Countries with greater access to reliable, affordable energy not only have higher standards of living, but also cleaner environments and healthier populations. Increased use of natural gas electricity generation leads to lower levels of air pollution and decreased greenhouse gas (GHG) emissions. We have enabled the United States to reduce GHG emissions 10.2% below 2005 levels through a market-driven increase in natural gas electricity generation.¹ Intermittent wind and solar energy are not possible without backup, with natural gas being the best backup source.



Source: [2020 BP Statistical Review of World Energy data](#) and [The World Bank CO2 Emissions](#)

Besides providing significant reductions in GHGs, my industry is at the forefront of investment in research and development for alternative energy sources and carbon capture, utilization and storage (CCUS) technologies. Technological innovation is the key to addressing climate change, not eliminating our industry. Further, our industry continues to innovate to reduce methane and other greenhouse gas emissions from development, production, and distribution.

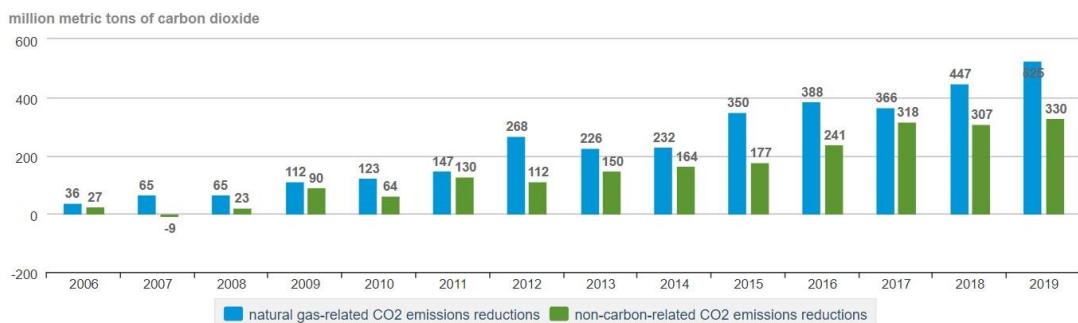
But there are those denying our positive role in addressing climate change and who are interpreting this moment as another opportunity to double down on unrealistic “green” energy policies. From the beginning of the Biden Administration, the attitude toward American oil and natural gas has been one of hostility. The president has stated repeatedly that U.S. production must come to an end because of climate change, even though fuel switching to natural gas in the electricity sector has reduced more GHG emissions than have wind and solar energy combined.²

¹ [Inventory of US Greenhouse Gas Emissions and Sinks](#), Environmental Protection Agency (EPA), April 2020, p. ES-4.

² [U.S. Energy-Related Carbon Dioxide Emissions, 2018](#), U.S. Energy Information Administration (EIA), November 2019, p. 13.

Figure 10. CO2 emissions reductions in electricity generation from changes in the fuel mix since 2005

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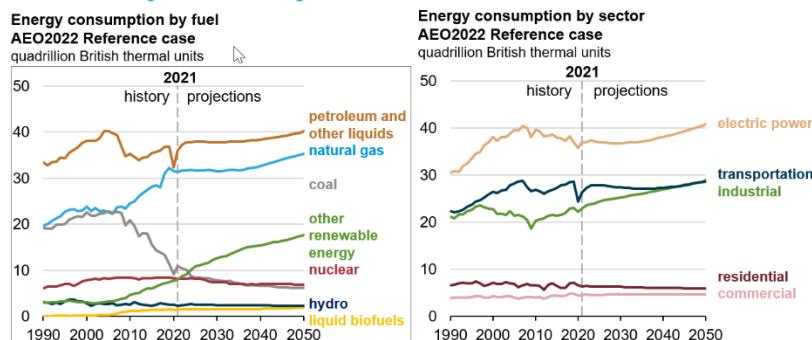
Sources: U.S. Energy Information Administration, *Monthly Energy Review*, August 2020, Table 11.6, Carbon Dioxide Emissions From Energy Consumption: Electric Power Sector and calculations made for this analysis based on Table 7.3c, Consumption of Selected Combustible Fuels for Electricity Generation; Commercial and Industrial Sectors (Subset of Table 7.3a). Distributed solar generation from Table 10.6, Solar Electricity Net Generation is added to generation values from Table 7.2a, Electricity Net Generation, Total (All Sectors). See Table 2 on page 16 for carbon dioxide values for the commercial and industrial sectors.

Note: This analysis includes estimated CO2 emissions from electricity generated in all sectors. Non-carbon electricity generation includes small-scale solar. CO2 refers to carbon dioxide.

The administration's actions against our industry have favored producers from Russia and OPEC, ignoring the fact that we follow strict environmental protections that they do not and their energy emits more GHGs and other pollutants. Asking producers from unfriendly nations to meet America's energy needs merely shifts GHG emissions to those countries at best, revealing the fallacy of killing domestic production in the name of climate change.

The administration's climate agenda is meant to eliminate oil and natural gas to achieve a 100% carbon free economy by 2050, a goal directly contradicted by the Biden Administration's own Department of Energy, which projects oil and natural gas consumption will continue to rise through 2050 and beyond, continuing to outpace renewables.³ In order to reach this unachievable goal, the administration has unleashed numerous anti-American oil and natural gas policies that have left our allies vulnerable and rendered my industry less able to respond to current high energy prices and quickly ramp up production.

Renewables consumption grows fastest but remains far below petroleum and other liquids consumption in 2050



Note: Biofuels are shown separately and included in petroleum and other liquids.

AEO2022 Press Release
March 3, 2022

9

³ [Annual Energy Outlook 2022](#), EIA, March 3, 2022.

We have heard the rhetoric that Europe's problems stem from its dependence on fossil fuels and that yet more investment is needed for wind and solar energy. But if that were true, then Germany would not be in the difficult circumstance it is in today. Germany has spent [\\$800 billion](#) over the last twenty years as part of its *Energiewende* (energy transition), with the result being that its [electricity prices have doubled](#) and it is more vulnerable to Russia now than before. In fact Germany's use of coal has gone up recently because of the limitations of renewables and the failure to secure enough natural gas from nonhostile countries. Despite the huge investments, renewables cannot provide the reliable energy Germany needs. We should thank Germany for going down that "green" energy path and serving as an example of what not to do. Now is not the time to double down on these failed energy policies. The problem is not dependence on fossil fuels. The problem is dependence on Russia.

I urge Congress and the administration to take practical steps to increase American oil and natural gas production while also addressing climate change. First and foremost, the administration needs to follow up last week's [LNG expansion announcement](#) and approve all outstanding LNG export permits. Exporting more natural gas to our allies would enable them to achieve the tangible GHG emissions reductions in their electricity sectors that we have achieved in ours.

But in order to export LNG, we need pipelines to supply those export terminals. There are numerous natural gas pipelines being held up or already canceled, particularly on the East Coast. Unrealistic energy policies that block pipelines in the name of climate change only block the actual GHG emissions reductions that natural gas delivers. Lack of pipelines has led to the absurd result of New England at times importing LNG from Russia. Not only does that increase energy costs for consumers, but it increases GHG emissions from the transport. Likewise, the State of Oregon denied a pipeline permit for the proposed Jordan Cove LNG export facility that would have been supplied by gas from Colorado, Utah, and Wyoming. The administration should use its emergency powers to expedite pipelines, thereby helping our allies in Europe and Asia reduce GHG emissions from their electricity sectors.

Further, the Federal Energy Regulatory Commission (FERC) should reverse its natural gas certification and greenhouse gas emissions policies. These policies are intended to get to an answer of "no" when it comes to natural gas infrastructure. Their timing could not have been worse, coming just as Russia invaded Ukraine and the importance of natural gas as a strategic asset for Europe crystallized. I urge the FERC commissioners to recognize the shortsightedness of policies that make it more difficult to permit natural gas projects and reverse these two discretionary policies.

Just Monday, the Securities and Exchange Commission released its rule on climate change disclosure. Like other misguided policies intended to address climate change, it will have the opposite effect. It is designed to elevate climate change measures above material financial factors in investment decisions as a means of denying capital to oil and natural gas projects. Denying access to capital to an industry that provides reliable, affordable energy while being a partner on climate change is simply unrealistic. We urge SEC to back off on the rule.

Finally, we urge Congress and the administration to get real on energy policies. By recognizing a partnership with my industry, we can continue to deliver real GHG reductions. Increased natural gas electricity generation between 2005 and 2019 delivered GHG reductions equivalent to 190 million electric vehicles.⁴ For context, there are only 11 million EVs globally today. The most aggressive

⁴ [Letter to Senator Warren](#), EQT Corporation, December 7, 2021.

estimates of 140 million globally by 2030 are unlikely to be met.⁵ By that time, we can deliver another 190 million EVs worth of reductions or more, but much more realistically. The huge mining requirements and electrical grid expansions that would be necessary for transforming a significant portion of global fleets to EVs is simply unrealistic, especially given the cost.⁶ Rather, the United States should recognize how natural gas today can play an even greater role in reducing our emissions and those of our allies, ultimately delivering more reductions at a lower cost.

⁵ [Five things to know about the future of electric vehicles](#), World Economic Forum, May 12, 2021.

⁶ Summary of the International Energy Agency's report [The Role of Critical Minerals in Clean Energy Transitions](#), by Mark Mills in the [Wall Street Journal](#), May 11, 2021.