

Responsible Natural Gas Resource Development

POSITION STATEMENT

The American Gas Association (AGA) believes that the benefits of developing the abundant and clean natural gas energy resource in America can and should be realized. We also believe it can be developed in a responsible manner. Over the past several years a truly game-changing event has occurred in the natural gas industry thanks to improved technologies that are allowing energy producers to access significant and growing supplies of domestic natural gas from shale formations and other unconventional reservoirs. As a result, for the foreseeable future the natural gas supply picture looks extremely bright, both for the industry and for natural gas customers. Recently, the completion practices required to produce natural gas, specifically from shale formations, have attracted considerable attention in both the media and public policy circles. Safe and reliable extraction, transport and delivery of natural gas to consumers remain the first priority for all natural gas industry participants. These principles address a foundation for the sustainable and responsible development of all natural gas resources in our country and underscore the commitment of local natural gas utilities to the communities they serve.

AGA's natural gas utility members deliver natural gas to approximately half of all Americans, and two thirds of the natural gas consumed in the nation flows through their delivery systems.

AGA believes that recognition of the following principles is essential to sustainable and responsible development of natural gas in the United States:

- *As the representative of local utility businesses that were founded on principles of safety and community stewardship, we and our members believe it is critical to engage all stakeholders in the process of meeting economic, environmental and regulatory goals, to share information transparently, and—based on lessons learned—to continually refine and improve safety and environmental practices.*
- *Natural gas from shale formations has contributed to domestic natural gas production since the 1960s. Recently, steady technological advancements associated with horizontal drilling and hydraulic fracturing have made it increasingly cost effective to produce shale gas, which has resulted in a significant increase in domestic natural gas production since 2007.*
- *Consumers benefit enormously from the tremendous growth of this new natural gas supply, which has made natural gas prices reliably low and stable. Under current projections even sudden or significant shifts in demand—weather induced or otherwise—should have no appreciable effect on natural gas prices.*

- *On a national scale, the growth in natural gas reserves, production and future resource development is both a cornerstone for domestic energy security and an economic driver in terms of investment, business development and job creation.*
- *The environment will benefit from lower emissions of carbon dioxide, nitrogen oxide and sulfur dioxide. The abundant and affordable supply of natural gas—by far the cleanest fossil fuel—will encourage its direct use for cooking, heating and water heating applications for homes and businesses across the country. It will also encourage its use in place of other fossil fuels for generating electricity, powering industry and fueling fleet vehicles.*
- *Natural gas producers must be committed to operational standards that ensure safe, environmentally sound, responsible, economically sensible and sustainable development of natural gas resources in the United States.*
- *Public dialogue and disclosure—particularly as they apply to critical issues such as well completion chemicals, waste water treatment and air-quality—as well as fact-based education and stakeholder engagement, are vital to securing broad-based support for the continued development of natural gas resources.*
- *State and local governments have the obligation to implement regulatory constructs that protect the environment and consumer interest. To accomplish these ends they should have adequate manpower and funding resources. State agencies should likewise have sufficient resources to evaluate and responsibly facilitate timely access to public lands and permits when required.*
- *Constructive public policy regarding natural gas supply growth should not be solely limited to domestic natural gas production. Sustained supply growth means additional investment in pipelines, storage facilities and even LNG, continuing the efforts made in the past four years.*

AGA and its member companies firmly believe that our domestic natural gas resource base can be developed responsibly, thereby providing America with an abundant supply of domestic natural gas and remaining good stewards of our environment.

We commend the leadership of the many producers who are now proactively and diligently addressing these principles. We join with and welcome every stakeholder—producers, utilities, elected officials, regulators, business groups, environmental and other public interest groups, and concerned citizens—in a commitment to open communication and interaction, and a respect for the views of others.

America's foundation fuel, natural gas, is poised to lead our country to a more economically dynamic, environmentally friendly and energy secure future.