



AMERICAN PUBLIC GAS ASSOCIATION

March 15, 2010

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Pelosi:

On behalf of the American Public Gas Association (APGA), I am writing in support of legislation that directs the U.S. Environmental Protection Agency (EPA) not to regulate greenhouse emissions from stationary sources using the Clean Air Act (CAA) authority.

APGA is the national trade association representing over 720 municipally and publicly-owned local natural gas distribution systems that work to meet the daily energy needs of over 5 million customers in 36 states. Publicly-owned gas systems are not-for-profit retail distribution entities that are owned by, and accountable to, the citizens they serve. They include municipal gas distribution systems, public utility districts, county districts, and other public agencies that have natural gas distribution facilities.

The Clean Air Act was passed by Congress in 1970 (with major amendments in 1977 and 1990) to address harmful pollutants that cause adverse health effects at a local and regional level. In our view, Congress never intended the CAA to be used to control greenhouse gases which do not manifest their impacts in the same manner as the pollutants controlled by the Act. Efforts to address greenhouse gas emissions will have wide-ranging and significant impacts upon U.S. energy consumers, the energy industry and the economy as a whole. For this reason, it is APGA's position that efforts to reduce greenhouse emissions from stationary sources must be resolved by Congress alone.

Recently, bipartisan legislation has been introduced in both chambers that would prevent EPA from regulating greenhouse gases under the CAA. APGA fully supports legislative action to ensure that Congress alone is the entity that decides how to regulate stationary source greenhouse gas emissions.

Only the legislative process can provide for thorough consideration of the measures that should be undertaken to reduce greenhouse gas emissions including taking full advantage of the benefits the direct-use of natural gas could provide in terms of overall emissions reduction.

Natural gas is the cleanest, safest, and most useful of all fossil fuels. It is also domestically produced, abundant and reliable. The inherent cleanliness of natural gas compared to other fossil fuels, a growing domestic supply and superior wells-to-wheels efficiency of natural gas

equipment, means that substituting gas for the other fuels will reduce the emissions and other air pollutants.

National policy should facilitate the direct-use of natural gas instead of other more carbon-intensive fuels where appropriate. For example, using gas-fired water heaters for homes instead of electric resistance water heaters immediately reduces greenhouse gas emissions by one-half to two thirds. Simply put, increasing the direct-use of natural gas is the surest, quickest and most cost-effective avenue to achieve significant reductions in greenhouse gases.

Last June, APGA, the Interstate Natural Gas Association of America and others released a study conducted by the Gas Technology Institute entitled "Validation of Direct Natural Gas Use to Reduce CO2 Emissions. The study analyzed the benefits of increased direct-use of natural gas as a cost-effective means to increase full fuel cycle energy efficiency and reduce greenhouse gas emissions. Using the National Energy Modeling System (NEMS), the study concluded that the increased direct-use of natural gas will reduce primary energy consumption, consumer energy costs, and national CO2 emissions.

The study demonstrated, among other things, that incentives for original natural gas end-use applications and conversions to natural gas appliances from their electric counterparts will provide substantially higher and immediate return values in greenhouse gas reductions, as well as energy efficiency, than an equal investment in electric applications. A copy of the study is available on the APGA website at <http://www.apgarf.org/files/public/GTIreport.pdf>.

I thank you in advance for your consideration of our views and look forward to working with you on this and other issues that impact natural gas consumers.

Sincerely,

A handwritten signature in black ink, appearing to read "Bert Kalisch". The signature is fluid and cursive, with the first name "Bert" being more prominent.

Bert Kalisch
President & CEO