



April 8, 2013



The Honorable Dianne Feinstein
The Honorable Lamar Alexander
Subcommittee on Energy and Water Development
Committee on Appropriations
United States Senate, SD-184
Washington, DC 20510



Dear Chairwoman Feinstein and Ranking Member Alexander:



NW Natural

We are writing to request your support for increased research and development funding for natural gas technologies within the Fiscal Year 2014 Energy and Water Development Appropriations Bill. As the U.S. continues its path towards economic recovery, the natural gas industry will play a vital role in job creation, while reducing our dependence on foreign oil. As the natural gas sector continues to rapidly expand, increased research and development will ensure that this domestic resource is produced and used safely, efficiently, and in an environmentally responsible manner.



Today, there are more than 71 million residential, commercial and industrial natural gas customers in the U.S. Natural gas comprises almost one-fourth of all energy used in the U.S. and is directly linked to more than three million jobs. Natural gas is primarily a domestic energy source. In 2012, 94 percent of the natural gas consumed in the U.S. was produced here—and trending toward nearly complete domestic reliance by 2020.



Natural gas is efficient: 92 percent of the natural gas produced is delivered to customers as usable energy. (In contrast, 29 percent of the total energy used to generate electricity from coal reaches consumers.). Natural gas, on an energy equivalent basis, emits 44 percent less CO2 than coal and 28 percent less than oil, making it the best fossil fuel source available to reduce greenhouse gas emissions. Because of its environmental benefits, natural gas used for electricity generation has increased by more than 60 percent over the past decade.



While the nation has embraced natural gas for its reliability, efficiency, and role in reducing emissions, the Department of Energy's (DOE) research and development budgets in Fossil Energy, and Energy Efficiency and Renewable Energy (EERE) do not reflect the importance of natural gas to the US economy. To that end, we respectfully request the following Energy and Water Development Appropriations Report Language:



Fossil Energy, Natural Gas Technologies - \$100,000,000



The Committee is concerned about the lack of funding for Natural Gas Technologies within the Fossil Energy office. Continued research and development is vital for the environmentally responsible development of this resource. To this end, the Committee provides \$100,000,000 for the Natural Gas Technologies Account for environmental research related to onshore natural gas exploration and production, including flaring, water management, wellbore integrity, hydraulic fracturing alternatives, and emissions.





EERE, Advanced Manufacturing Office - \$20,000,000 for CHP and Waste Heat Recovery

The Committee provides \$20,000,000 for Waste Heat Recovery and Combined Heat and Power research and development.



EERE, Building Technologies - \$20,000,000 for Energy Efficiency R&D for the Direct Use of Natural Gas

The Committee is encouraged that the Buildings Technology Program is looking at natural gas technology efficiencies for direct usage. The Committee provides \$20,000,000 for research and development for energy efficiency efforts related to the direct use of natural gas - \$8,000,000 for commercial R&D projects, including gas heat pump heating and water heating, on site Combined Heat and Power (CHP), and efficiencies for commercial food service; and \$12,000,000 for residential R&D projects, including gas heat pumps for space conditioning and water heating, building systems research, and micro-CHP in the residential sector.



EERE, Vehicle Technologies - \$30,000,000 for Natural Gas Vehicle R&D

Natural gas as a transportation fuel is becoming the alternative fuel of choice for high fuel use fleets because of the stable fuel cost savings, coupled with expanding product offerings in the marketplace. Research is needed to reduce costs and improve efficiency and durability of technologies for advanced natural gas engine and vehicle technologies, fuel storage, and fueling infrastructure (including home fueling systems). Within available funds, the Committee directs that \$30,000,000 be made available for natural gas vehicle and fueling infrastructure research, development, and technology demonstrations to address these areas.



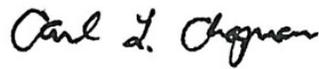
Thank you for your serious consideration of these important research and development initiatives. Support for these areas will result in additional jobs across the Country, and make natural gas development safer, more efficient, and more environmentally sustainable.

Sincerely,

Dave McCurdy
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American Gas
Association

David Carroll
President & CEO
Gas Technology Institute

Lisa Jacobson
President
The Business Council for
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Chairman, President
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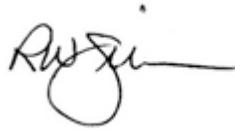
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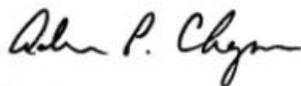
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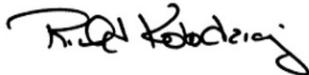
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