



## AMERICAN PUBLIC GAS ASSOCIATION

October 7, 2020

Congressman Bobby Rush  
2188 Rayburn House Office Building  
Washington, DC 20515

Congressman Fred Upton  
2183 Rayburn House Office Building  
Washington, DC 20515

Re: Hearing on *“Generating Equity: Improving Clean Energy Access and Affordability”*

Dear Chairman Rush and Ranking Member Upton,

APGA represents roughly 1,000 retail natural gas distribution entities 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 own and operate natural gas distribution facilities in their communities. Public gas systems’ primary focus is on providing safe, reliable, affordable, efficient, and clean natural gas service to their customers. APGA members deliver natural gas to be used for cooking, clothes drying, and space and water heating, as well as for various commercial and industrial applications.

Ranking Member Upton discussed the role of natural gas in his home state of Michigan, saying:

“In Michigan, households use more energy than the U.S. average. When the temperature drops, we use a lot more natural gas...because it's more efficient and more affordable...a one-size-fits-all federal mandate like proposals to ban natural gas and gasoline cars doesn't work in states like Michigan.”

APGA appreciates these comments from the Ranking Member and, in light of them and the other discussion from the hearing, *“Generating Equity: Improving Clean Energy Access and Affordability,”* we want to further highlight the role of clean, efficient, and reliable natural gas in reducing what consumers spend on energy bills, or what could be termed an “energy burden.” The Subcommittee is considering comprehensive energy and climate legislation, and America’s public natural gas utilities, including their valuable employees and existing pipeline infrastructure, should continue to play an integral role in reducing greenhouse gas (GHG) emissions, while providing all Americans affordable and reliable energy. As always, thank you for this opportunity to offer this input in your important work on an appropriate and comprehensive approach to climate legislation.

**1. Natural gas is key to ensuring all Americans have access to affordable, clean energy.**

One of the witnesses from the October 1<sup>st</sup> hearing was an author of a recently released report by the American Council for an Energy-Efficient Economy (ACEEE). That study noted:

“energy insecurity — the inability to meet basic household energy needs over time — is gaining attention as a major equity issue. Examining energy burden gives an idea of energy affordability and which groups could most benefit from energy justice and energy affordability policies and investments.”<sup>1</sup>

Therefore, the Energy Subcommittee should look to natural gas as a key American resource in decreasing energy burden. Currently, consumers pay relatively low prices for the direct use of natural gas for their cooking, home or water heating, and clothes drying needs. The Department of Energy (DOE) recently published its “2020 Representative Average Unit Costs of Energy,” acknowledging electricity is \$38.28 per million Btu, and natural gas is \$10.13 per million Btu.<sup>2</sup> The Subcommittee also heard a witness during the hearing provide, “by outlawing natural gas and forcing consumers to use electricity, on a Btu basis, electricity is four times as expensive.” A recent study also shows households with all-electric appliances pay almost \$900 a year more than those that have the traditional mix of natural gas and electric homes.<sup>3</sup> ACEEE’s report highlighted that low-income, Black, Hispanic, and Native American households are the demographics most impacted with higher energy burdens. Congressman Walden, the full committee’s Ranking Member, echoed this with his comment, “while renewable energy sources play a role in reducing emissions, aggressive policies that drive up energy prices put additional burdens on low-income communities.” Low-income, Black, Hispanic, and Native American households need policies to help them overcome energy insecurity. Why take affordable natural gas away? Americans should not be required to have electricity as their only energy choice, when natural gas continues to be the best energy value.

Well understood are the environmental benefits of the direct use of natural gas in home appliances versus electricity fueled by coal combustion. Now, there is opportunity for even more environmental benefit with viable renewable natural gas (RNG) technologies. RNG is pipeline-compatible, ultra-clean, and low-carbon. It is derived from the breakdown of organic wastes and can be processed to be used in existing natural gas infrastructure interchangeably with geologic natural gas in homes and businesses, so it is still more reliable and resilient than other energy sources. APGA’s members have gotten behind RNG. We ask that the Committee promote this valuable technology.

## **2. Natural gas natural gas appliances use efficient and safe.**

At the October 1<sup>st</sup> hearing, there was also conversation on household appliances. Given this, APGA offers input on the value of directly using natural gas in appliances, such as stoves, clothes dryers, water heaters, and furnaces. On a full-fuel-cycle basis, natural gas used in homes and businesses is 92% efficient. That is, 92% of the energy produced is delivered and directly consumed by the appliance at the point of use. Comparatively, electricity delivered to consumers is approximately 30% efficient, as there are steps in that supply chain where energy is lost due to conversion and transmission.

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<sup>1</sup> American Council for Energy-Efficient Economy, “How High Are Household Energy Burdens? An Assessment of National and Metropolitan Energy Burdens across the U.S.

<sup>2</sup> Department of Energy, “Energy Conservation Program for Consumer Products: Representative Average Unit Costs of Energy,” <https://www.federalregister.gov/documents/2020/08/14/2020-17803/energy-conservation-program-for-consumer-products-representative-average-unit-costs-of-energy>

<sup>3</sup> American Gas Association, Implications of Policy-Driven Residential Electrification, <https://www.aga.org/research/reports/implications-of-policy-driven-residential-electrification/>

Consider the data in the below table to further illustrate this point.<sup>4</sup> The table shows, as an example, directly using energy in a natural gas furnace is more efficient, producing less GHG emissions and costing less to the consumer than the electric alternatives.

## Comparison of Residential Space Heating Appliances



Electric Heat Pump



Electric  
Resistance  
Furnace



Natural Gas Furnace

DOE/NAECA Efficiency	7.7 HSPF	99 AFUE	80 AFUE	97 AFUE
Full-Fuel-Cycle Energy Use per Year*	97 MMBtu	155 MMBtu	69 MMBtu	52 MMBtu
CO <sub>2</sub> e** Emissions/Yr*	6.4 Metric Tons	10.3 Metric Tons	4.0 Metric Tons	2.6 Metric Tons
Annual Cost	\$1,191	\$1,904	\$656	\$496
Equipment Cost***	\$2,720	\$2,800	\$2,855	\$3,895

\* Excludes A/C operations

\*\* Includes greenhouse gas impact from unburned methane

\*\*\* Package price includes cost for air conditioning equipment

These same energy efficiencies are available in stoves, clothes dryers, and water heaters if natural gas is directly used. Americans should have the access to these efficiencies and not be subject to restrictions on fuel choice. Both consumers and the environment lose with these limitations.

Professional and in-home chefs prefer natural gas for cooking.<sup>5</sup> This choice fuel offers many benefits including quick startup, even temperature, and reliability during outages. It is also very safe for cooking. Both the U. S. Consumer Product Safety Commission (CPSC)<sup>6</sup> and Environmental Protection Agency (EPA)<sup>7</sup> do not consider gas cooktops a major contributor to negative indoor air quality (IAQ) or a health hazard for consumers. APGA and its members encourage customers to install and use gas ranges and all

<sup>4</sup> American Gas Association, “A Comparison of Energy Use, Operating Costs, and Carbon Dioxide Emissions of Home Appliances – 2018 Update,” <https://www.aga.org/globalassets/research--insights/reports/ea-2018-02-appliance-cost-and-emissions-comparison-2018-update.pdf>

<sup>5</sup> Woodland, O’Brien, and Scott, “New Homeowner Energy Preference Survey,” <https://www.energysolutionscenter.org/>.

<sup>6</sup> Consumer Product Safety Commission, <https://www.cpsc.gov/>

<sup>7</sup> Environmental Protection Agency, “Indoor Air Quality-Technical Overview of Volatile Organic Compounds,” <https://www.epa.gov/indoor-air-quality-iaq/technical-overview-volatile-organic-compounds>

gas appliances, in accordance with industry standards and codes, like the International Fuel Gas Code<sup>8</sup> or the National Fuel Gas Code<sup>9</sup>.

Also, according to data collected by the National Fire Protection Agency (NFPA), natural gas directly used in appliances provides Americans efficient energy in a safe way.<sup>10</sup> Home cooking fire rates, per 100,000 homes, were 2.5 times higher with electric ranges. Additionally, home cooking death rates per 100,000 homes were 2.6 times higher with homes using electric ranges.

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Equitable energy policy can be achieved with a balanced solution, benefitting both the environment and consumers, especially those facing increasing energy burdens. As discussed during the hearing, a few cities have gone to the extreme of banning natural gas in new buildings. This drastic approach misses the mark because consumers unnecessarily would pay higher utility bills, while the resulting emissions reductions will not be substantial. Also, there is no reason why natural gas appliances should be considered inefficient or unsafe. In fact, data shows otherwise. APGA hopes the Committee will be considerate of all these factors and develop policy with environmental benefits balanced with affordability for all Americans. Thank you again for the opportunity to submit this letter to the hearing docket. APGA looks forward and stands ready to work together in this effort.



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<sup>8</sup> International Code Council, “Overview of the International Fuel Gas Code® (IFGC®),”

<https://www.iccsafe.org/products-and-services/i-codes/2018-i-codes/ifgc/>

<sup>9</sup> National Fire Protection Association, “National Fuel Gas Code,” <https://www.nfpa.org/codes-and-standards/all-codes-and-standards/list-of-codes-and-standards/detail?code=54>

<sup>10</sup> National Fire Protection Agency, “Home cooking fires,” <https://www.nfpa.org/News-and-Research/Data-research-and-tools/US-Fire-Problem/Home-Cooking-Fires>