



AMERICAN PUBLIC GAS ASSOCIATION

September 23rd, 2020

Congressman Paul Tonko
2369 Rayburn House Office Building
Washington, DC 20515

Congressman John Shimkus
2217 Rayburn House Office Building
Washington, DC 20515

Re: Hearing on *“Building a 100 Percent Clean Economy: Opportunities for an Equitable, Low-Carbon Recovery”*

Dear Chairman Tonko and Ranking Member Shimkus,

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, and affordable natural gas service to their customers. APGA members serve their communities in many ways. They deliver natural gas to be used for cooking, clothes drying, and space and water heating, as well as for various commercial and industrial applications.

APGA appreciates the Committee taking time to discuss opportunities for an equitable, low-carbon recovery, especially as they consider comprehensive legislation. Public natural gas utilities, including their valuable employees and existing pipeline infrastructure, currently play and will continue to play an integral role in reducing greenhouse gas (GHG) emissions, while providing all Americans affordable energy. In light of the recent hearing, *“Building a 100 Percent Clean Economy: Opportunities for an Equitable, Low-Carbon Recovery,”* we want to highlight natural gas’s role in decreasing the energy burden, as well as this important fuel’s role in supplying reliable and resilient energy to all our nation’s households. We hope you will consider this input, as the Committee pursues balanced energy solutions. As always, thank you for this chance 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 energy.

In a recently released report, the American Council for an Energy-Efficient Economy (ACEEE) 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.”¹

Given this, APGA hopes that the Energy and Climate Change Subcommittee will look to natural gas as a key piece in decreasing energy burden. Currently, consumers pay extremely 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.² Why take that away with policies, which may require these individuals to only have electricity as an energy choice? Natural gas continues to be the best energy value. ACEEE’s report also highlighted that low-income, Black, Hispanic, and Native American households are the demographics most impacted with higher energy burdens. These groups need policies to help them overcome this energy insecurity, and natural gas should be a part.

With the elimination of natural gas as a fuel option, New Jersey’s “State Energy Master Plan (EMP)” would erase the more than \$11.5 billion saved by households in energy expenses, and the nearly \$9.7 billion saved by businesses.³ California is another state exploring electrification policies, and its citizens are already bearing the burden of these changes. A survey of California families shows it will cost \$7,200 to retrofit a home with electric appliances and \$388/year more in energy bills in that particular state.⁴ Finally, a national study shows families would have to spend, on average \$4,847, to replace four common household appliances: range, dryer, water heater, and furnace.⁵ APGA encourages the Committee to consider the undue consumer expenses borne by all Americans if natural gas is not a part of the solution.

2. Natural gas provides Americans reliable and resilient energy.

Another key consideration for the Committee when developing policy is resilience. A recent report provides:

The operational characteristics of the natural gas transportation network, in combination with the physical properties of natural gas, effectively minimize the likelihood and severity of service disruptions. In the rare event of a disruption, impacts are typically localized and brief. History demonstrates that disruption of firm pipeline transportation and/or storage services resulting from severe weather events are extremely rare.⁶

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

² 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>

³ Consumer Energy Alliance, “A Steady Stream of Natural Gas Provides Affordable Energy to New Jersey Residents and Helps the Garden State Grow”

⁴ Navigant Consulting, “The Cost of Residential Appliance Electrification: Phase 1 Report – Existing Single-Family Homes”

⁵ Consumer Energy Alliance, “Green New Deal Would Cost American Consumers Almost \$244 Billion in Just Four Appliances,” <https://consumerenergyalliance.org/2019/02/green-new-deal-would-cost-american-consumers-244-billion-four-appliances/>

⁶ Natural Gas Council, “Natural Gas: Reliable and Resilient.” <http://naturalgascouncil.org/wp-content/uploads/2019/04/Natural-Gas-Reliable-and-Resilient.pdf>

This resilience stands contrary to other energy sources used for appliances and equipment in homes and businesses. A constant power supply is critical for many of the customers APGA members serve. For instance, natural gas is used at military bases in the South. Eliminating natural gas as an option for these installations would jeopardize operational capabilities and base resilience.

Natural gas infrastructure is also used in many homes through installation of natural gas generators. With a reliable and resilient infrastructure, these emergency generators power homes when electricity is unavailable. While a natural gas generator is already cleaner than one powered by diesel, innovation is being explored to lower emissions even further. A Micro-CHP system, typically used in homes or smaller commercial applications, generates electricity by converting natural gas to power with minimal emissions. Finally, several appliance manufacturers are investing in self-start technology, so natural gas appliances can continue to operate if there is no electricity or a generator to power the heating system air blower or a hot water pump.

While public natural gas utilities continue to offer clean energy affordably, there is opportunity for even more with greater support for 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' support for RNG exemplifies their investing in balanced energy solutions that help Americans achieve utility bill savings and lessen environmental impacts. We ask that the Committee consider this valuable technology.

APGA reiterates that comprehensive legislation supporting the environment can be achieved with a balanced solution that is cost effective for consumers, especially those facing increasing energy burden. A few cities have gone to the extreme of banning natural gas connections to new buildings. This approach misses the mark. Consumers will be significantly impacted through higher utility bills, and emissions reductions will not be substantial enough to warrant the forced fuel switching. APGA hopes the Committee will be considerate of environmental benefits balanced with affordability for all Americans, as it develops policy. APGA stands ready to work together in this effort.