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American Gas Foundation Study Finds EAct 2005 Will Bring Relief to Natural Gas Market, But More Actions Are Needed to Address the Supply/Demand Imbalance and Save Billions for Customers and the U.S. Economy

Washington, D.C. – Passage and initial implementation of The Energy Policy Act of 2005 has resulted in some progress toward meeting the current and future needs of natural gas customers, but more action is needed if the nation wants to balance natural gas supply and demand and save customers and the economy billions of dollars by 2020, according to a study released here today by the American Gas Foundation.

The study, titled *“The Energy Policy Act of 2005 and Its Impact on the U.S. Natural Gas Supply/Demand Imbalance”* (shortened to *“EAct Impact on Natural Gas”*) compares the results of the Energy Policy Act of 2005 with various policy steps that elected officials, energy companies and communities could take in order to meet customers’ natural gas demands, then quantifies what the potential benefits of those choices might be.

“Even after the enactment of the natural gas policy measures contained in EAct 2005, we are at best one-third of the way toward achieving the natural gas supply and demand policy scenario outlined in our 2005 outlook.” said American Gas Foundation Chairman Robert W. Best, who also is chairman, president and CEO of Atmos Energy Corp.

According to Best, *“EAct Impact on Natural Gas”* re-visits the three natural gas public policy scenarios first outlined in a January 2005 AGF study (*“Natural Gas Outlook to 2020”*) – Existing, Expected and Expanded Policies Scenarios – and measures the progress of natural gas recommendations contained in the Energy Policy Act of 2005 against impact of the more far-reaching supply and demand measures envisioned in the three scenarios. The study further re-visits cost projections made in the 2005 AGF study and re-evaluates them in light of events in the natural gas market in the last two years.

According to Best, EAct 2005 represented an important first step in bringing energy policy in line with the nation’s changing energy profile, but in order to implement many of the measures that the original *“Outlook to 2020”* study said would result in the most favorable “Expanded” Policies Scenario for natural gas consumers, progress must be made to implement all the key provisions of EAct plus work towards additional policies that address our critical supply issues.

“Under the previous study’s Expanded Policies Scenario, both demand and supply issues ideally would be addressed in the next few years, saving natural gas consumers \$200 billion by the year 2020,” said Best.

(more)

The Expanded Policies Scenario assumes the completion of measures to reduce natural gas demand, open more offshore and onshore natural gas resources to production, increase imports of liquefied natural gas (LNG) and build an Alaskan natural gas pipeline.

“The growing mismatch between supply and demand of natural gas has had a significant negative impact on the U.S. economy and consumers in recent years,” Best said. He cited a 2005 U.S. Department of Commerce study estimated that higher natural gas prices between 2000 and 2004 led to lower GDP growth and a decrease in domestic employment of almost 500,000 jobs.

“EPAAct Impact on Natural Gas” quantifies how far the U.S. has moved over the past two years toward the favorable market conditions outlined in that scenario, and estimates the increased amount of natural gas, in trillions of cubic feet (Tcf), that would become available to the market with changes in each of the key supply and demand variables.

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Note to Journalists: The Executive Summary and complete “Energy Policy Act of 2005 and Its Impact on the U.S. Natural Gas Supply/Demand Imbalance” study are available on the AGF web site at www.gasfoundation.org.

Founded in 1989, the AGF is a 501(c)(3) organization focused on being an independent source of information research and programs on energy and environmental issues that affect public policy, with a particular emphasis on natural gas. Overseen by a [board of trustees](#), the AGF has delivered numerous key public policy reports since 2000 and has sponsored executive level forums and events focusing on energy supply. For more information, please visit www.gasfoundation.org.