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American Gas Foundation Releases Study on the Direct Use of Natural Gas

Washington, D.C. – Increased direct use of natural gas in residential and commercial applications can improve the productivity of available energy supplies, reduce overall energy cost, and reduce related carbon dioxide (CO2) emissions, according to a study released here today by the American Gas Foundation. Direct use of natural gas refers to using natural gas for residential and commercial uses such as space heating, water heating, cooking and clothes drying.

The study, "*Direct Use of Natural Gas – Implications for Power Generation, Energy Efficiency, and Carbon Emissions*" examined the impact of increasing the direct use of natural gas for residential and commercial end uses that can be powered by either gas or electricity. Using a variety of modeling scenarios based on Department of Energy and Energy Information Agency data, the study considered a number of focused scenarios that considered natural gas supply, technology, and possible climate change programs to determine the net effect in total energy use, energy costs, and CO2 emissions.

"Utilities like mine are increasing their focus on educating consumers and businesses on the benefits of the direct use of natural gas, not only from a cost standpoint but a carbon reduction standpoint as well," said American Gas Foundation Trustee William Cantrell, and president, TECO Peoples Gas System.

Natural gas demand for electric power generation is expected to increase significantly. Nuclear power and renewables could offset part of the increase but natural gas demand is still projected to be higher over the forecast horizon with an accompanying upward pressure on gas prices.

Cantrell added, "Policymakers, regulators, utilities and the public will face many challenging decisions as our economy is realigned to meet future carbon reduction targets, and each sector of our economy must play a part if we're going to adequately address climate change. Consumers and businesses have an energy solution at their fingertips with natural gas – it's a bridge to our energy future. Natural gas will serve a near-term and positive role in helping to achieve carbon reduction goals while maximizing the productivity of this incredibly valuable American energy asset."

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"As the role of natural gas expands, we must make certain that we have adequate access to our nation's natural gas supplies to accommodate increased demand – and that we add the needed infrastructure to ensure the continued safe and reliable delivery of natural gas," he concluded.

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The Executive Summary and complete "Direct Use of Natural Gas – Implications for Power Generation, Energy Efficiency, and Carbon Emissions" 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 <u>board of trustees</u>, 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 <u>www.gasfoundation.org</u>.