

## Notes for “The Promise of Natural Gas” PowerPoint Presentation

### **1 – The Promise of Natural Gas**

No notes

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### **2 – Domestic Abundance**

- Advances in American technology have opened the door to efficient, affordable, and responsible extraction of natural gas in North America.
  - You can see here the current and prospective plays in the lower 48—and you can see the tremendous resource we have under our feet.
  - Natural gas production from unconventional sources, such as shale, has grown considerably in recent years.
  - Dry natural gas production averaged 53.3 Bcf per day from 2000 to 2010. In 2012 it will likely total 64 Bcf per day, or one third of domestic gas produced in 2012.
  - Proven reserves and yet to be developed resources are enormous, giving credence to expectations that natural gas can meet and sustain a significant share of our domestic energy needs over the next ten years and beyond.
  - AGA acknowledges the potential for more than 80 Bcf per day of domestic dry gas production by 2022 if demand requirements develop sufficiently
  - The natural gas industry is committed to responsible and sustainable development of this North American energy endowment so that the full benefits of this clean energy source can be realized for all Americans.
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### **3 – Supporting Increases in Demand**

- Here you see the corresponding role between natural gas demand and our abundant supply.
  - For the next decade and beyond, domestic natural gas supplies are expected
  - to be sufficiently robust to meet growth in demand across all sectors.
  - There is additional room for wise and efficient growth of natural gas consumption in
  - today’s domestic energy market, including significant potential for demand in
  - residential, commercial and transportation sectors over the long-term.
  - New market dynamics created by abundant supply resources will spur the development of additional technology to enhance natural gas utilization.
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### **4 – A Future of Market Stability**

There is room to grow natural gas demand at reasonable and relatively stable prices. Domestic natural gas demand growth during 2012-2022 is needed to establish price levels that elicit and sustain a production response from gas producers.

Many of the identified shale gas resource plays and more traditional production models become economically available to the market at a projected development cost of \$5–6 per MMBtu.

This is precisely the foundation that accounts for the possibility of an additional 11 to 34% increase in domestic natural gas production during the next ten years and is supported by many gas energy outlooks.

These strong natural gas supply fundamentals along with a robust and reliable natural gas delivery infrastructure suggest that over the next decade, a range of demand scenarios can be met by a diverse and responsive supply market within an estimated price band of \$4.00 to \$6.50 per MMBtu— a level well below the peak market prices of the preceding decade.

Clearly, there is a new market environment for natural gas in the United States today. Creating opportunities to better optimize our nation’s energy resources supported by prudent regulation and policy making informed by science and facts should be the goal of all stakeholders.

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## **5 – Investing in our Energy Future**

- Natural gas is the foundation fuel that will heat our homes, run our vehicles,
- generate electricity, and partner with renewable energy sources for decades to come.
- America’s natural gas utilities operate the 21st century infrastructure necessary for
- delivering the benefits of natural gas to American homes and businesses safely, reliably and at an affordable price.
- Our energy future will be built upon the foundation of the 2.4 million miles of
- pipelines operated by America’s natural gas industry.
- Affordable prices and a future of market stability provide an opportunity to make long-term investments in our communities throughout the natural gas value chain.
- Greater recognition of the benefits of natural gas in federal and state regulation, legislation, building energy codes, appliance standards and energy policy initiatives will open new doors to increased energy efficiency and energy security.