

Comments of the American Gas Association

House Oversight Committee's Economic Growth, Energy Policy, and Regulatory Affairs Subcommittee hearing: "No Flame, More Pain: How State and Local Bans on Natural Gas Increase Costs"

September 2, 2026

Chairman Burlison, Ranking Member Frost, distinguished Members of the Subcommittee, thank you for the opportunity to share perspectives on matters being considered before you today.

The American Gas Association (AGA), founded in 1918, represents more than 200 local energy companies that deliver clean, domestic, and reliable natural gas throughout the United States. There are more than 79 million residential, commercial, and industrial natural gas customers in the U.S., of which 94 percent – more than 74 million customers – receive their gas from AGA members. Nearly 189 million Americans use natural gas because it is affordable, reliable, safe and essential to improving our environment.

Today, natural gas meets more than one-third of our nation's energy needs. AGA members recognize natural gas is the most reliable and affordable form of energy in the United States – it's our nation's strategic advantage. It is also an advantage for customers who use natural gas in their homes; a typical new household that uses natural gas for heating, cooking, and clothes drying saves an average of \$1,030 per year compared to the same home using electricity for those applications. For equivalent energy delivered, natural gas is 3.5 times less expensive than its alternatives. The low cost of natural gas has saved families a total of \$99 billion over 10 years and commercial and industrial customers have saved more than \$655 billion over the last decade by using natural gas.

Lower fuel prices and investments in energy efficiency continue to drive consumer savings. While inflation and cost of living increases are putting pressure on American households, annual residential natural gas bills have not seen a significant increase for most Americans and remain remarkably stable over time. After adjusting for inflation, the average natural gas bill is 15% lower today than it was in 2022, and according to the Department of Energy (DOE) projections, it will be 25% lower by the end of next year. Long-term federal projections further suggest that natural gas will remain a practical and cost-effective option for at least the next several decades, with prices expected to remain well below those of alternative fuels through 2050. Its comparatively stable month-to-month costs also provide an important measure of bill predictability, reinforcing the role of natural gas in supporting customer energy affordability.

Consumer Choice and Affordability

Despite the very broad, popular support for natural gas, consumers have been inundated with state, local, and federal laws and regulations that prohibit or eliminate their access to the direct use of natural gas. More than 100 communities and several states have enacted policies to prevent consumer access to natural gas service and gas appliances. AGA believes that all consumers deserve to make choices when it comes to meeting their unique energy needs.

Consumer energy choice preserves access to safe, clean, affordable energy resources including natural gas that offer a sustainable pathway to the shared goal of reducing emissions while maintaining the affordability, reliability and quality of life Americans are proud to enjoy. This is a right currently codified in 27 states. Fuel choice legislation preserves access to natural gas in homes and businesses in states that have enacted it across America, including Nebraska, Maine, Idaho, Montana, North Dakota, South Dakota, Wyoming, Utah, Arizona, Kansas, Oklahoma, Texas, Iowa, Missouri, Arkansas, Louisiana, Indiana, Ohio, West Virginia, New Hampshire, Kentucky, Tennessee, North Carolina, Mississippi, Alabama, Georgia, and Florida. Every state to pass fuel choice legislation has done so in a bipartisan manner and four Democratic Governors have signed fuel choice legislation into law. Codifying fuel choice federally would further this effort and end a patchwork approach to fuel legislation limiting consumer choice and leading to confusion with a patchwork of laws, codes, and regulations attempting to limit access to natural gas.

In addition to state and local policies, there are numerous federal policies limiting access to natural gas. For example, Federal appliance standards have been promulgated without sufficient cost or energy savings. In recent years, DOE has utilized various methods to shift the purpose of the energy efficiency rulemaking process away from the plain meaning of the Energy Policy and Conservation Act (EPCA), and the statute's overall intent in a way that harms consumers, particularly those in low-income and senior households.

DOE's energy efficiency rulemaking process should be fuel-neutral and should not harm any customers by eliminating choice and increasing costs. Congress should codify a revised process for setting appliance standards that returns the program to focusing on energy efficiency while maintaining access to a variety of efficient products of differing fuel types. Furthermore, consumers should be able to have access to the type of appliance of their choice and not have DOE remove such choices from the market. DOE should also make sure its processes are transparent and allow stakeholder access to all underlying data and models.

EPCA protects consumer choice by ensuring energy conservation standards are not likely to result in the unavailability of any covered product type (or class) of performance characteristics currently available to consumers. Despite this, in the past, DOE used the appliance efficiency standards process to eliminate consumer access to efficient natural gas appliances.

Building codes are another mechanism being used to restrict energy choice. AGA and the natural gas industry have played a positive and active role in supporting the cost-effective improvement in efficiency requirements for natural gas appliances and model building codes for 50 years. Unfortunately, the process has become manipulated and strayed from its core mission of improving energy efficiency in favor of picking winners and losers. AGA continues to support fuel-neutral building codes and encourages Congress to provide much-needed oversight to the codes-making process, which has also become a tool for eliminating natural gas hookups in buildings.

Policy Driven Residential Electrification

Access to natural gas is often limited as a result of “policy driven residential electrification” which refers to direct or indirect regulatory or legislative actions that would require the elimination of natural gas, propane, and fuel oil as options to meet residential space heating, water heating, and other uses in favor of electric appliances.

Laws, policies, and regulations limiting access to natural gas service and appliances eliminate access to affordable, often life-saving energy sources with no real benefit to consumers or the environment. AGA’s 2018 study titled Implications of Policy-Driven Residential Electrification¹ included the following concerning findings:

- Policy-driven electrification would increase the average residential household energy-related costs (amortized appliance and electric system upgrade costs and utility bill payments) of affected households by between \$750 and \$910 per year, or about 38 percent to 46 percent.
- Widespread policy-driven residential electrification will lead to increases in peak electric demand and could shift the U.S. electric grid from summer peaking to winter peaking in every region of the country, resulting in the need for new investments in the electric grid including generation capacity, transmission capacity, and distribution capacity.
- The average cost of U.S. greenhouse gas emissions reductions achieved by policy-driven residential electrification would range between \$572 and \$806 per metric ton of CO₂ reduced, which is significantly higher than the estimated cost of other greenhouse gas reduction options.

This study also found that if 60 percent of residences in the regions studied were converted to electricity by 2035, the average affected household could see an increase of up to \$1,420-per year in increased heating costs alone. Renters and homeowners alike would have to bear these increased costs directly or through increased rent. The costs and impacts from the residential

¹ <https://www.aga.org/implications-of-policy-driven-electrification/>

electrification policy modelled in the study vary widely by region. based on differences in weather, which impacts both the demand for space heating, and the efficiency of the electric heat pumps.

While electrification may be a component of strategies that reduce greenhouse gas emissions, it does not inherently guarantee reductions in emissions or improved energy efficiency. The environmental benefits of electrification depend on the electricity sources and the electric systems' overall energy efficiency compared to the direct or indirect fossil fuel systems they replace.

Further, electrification is not inherently synonymous with decarbonization or energy efficiency for the following reasons:

- The source (full-fuel-cycle) of electricity end-uses matters. The environmental impact of electrification depends significantly on how the electricity is generated and the fuels that are replaced or reduced. If electricity comes from carbon-intensive sources, the reduction of emissions may be minimal, or emissions may increase compared to using direct fossil fuel applications.
- Electrification may lead to greater energy consumption. Electrification does not automatically lead to increased energy efficiency. Many electric systems are less efficient than their direct fuel counterparts. For example, electric resistance heating requires significantly more energy for the same services than a natural gas furnace, as measured on a full-fuel-cycle basis.
- Infrastructure build-out and grid management must be considered. Widespread electrification may require substantial upgrades to electric generation, transmission and distribution systems. Residential or commercial electrification may also require electrical upgrades in new and existing homes and buildings. A widespread shift to electric heating could drive significant increases in peak electric loads and shift the electric grid to winter peaking in many locations, which can increase the challenges associated with decarbonizing the electric grid using variable renewable sources.
- Reliability and Resilience Impacts must also be considered. The current energy system, served by natural gas infrastructure and end uses, provides reliable and resilient services to natural gas consumers and other parts of the system. Replacing this system with largely electric end-uses served by increasing amounts of variable renewable resources could create new challenges to overall energy system reliability and resilience.

As the energy sector strives to meet increasing energy demand while pursuing environmental goals, solutions must be tailored to regional, technological and application-specific contexts. Policymakers should address safety, affordability, feasibility, equity, energy reliability and resilience challenges. With its high efficiency and lower emissions in key applications such as

space and water heating, natural gas is a valuable energy source. Studies show that high-efficiency natural gas appliances often outperform electric alternatives in cost effectiveness and emissions.

Conclusion

Natural gas is a cornerstone of affordability, reliability, and sustainability for American families and businesses, and policy must reflect this reality rather than undermine it.

Policies that restrict access to natural gas service and appliances deny consumers the ability to choose the energy source that best meets their needs, increase costs for households and businesses, place additional strain on the electric grid, and undermine energy resilience during periods of extreme weather and peak demand.

Congress should reject policies that mandate one-size-fits-all energy choices and instead advance fuel-neutral approaches that allow innovation and competition to deliver the best outcomes for consumers. Federal policymakers should protect consumer energy choice, ensure appliance standards remain consistent with congressional intent, and provide oversight of regulatory and code-development processes that are being used to eliminate access to natural gas outside of the legislative process.

As the nation works to meet growing energy demand and pursue emissions reductions, an affordable, reliable, and resilient energy system will require an all-of-the-above strategy that includes natural gas. Natural gas helps Americans achieve energy and environmental goals while preserving the affordability, reliability, resilience, and consumer choice families and businesses depend on. Natural gas is a critical part of the nation's energy future, and Congress should ensure that families, businesses, and communities continue to have access to the energy options they rely on every day.

A handwritten signature in blue ink that reads "George Lowe". The signature is fluid and cursive, with the first name "George" and last name "Lowe" clearly distinguishable.

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