AMERICAN PUBLIC GAS ASSOCIATION

Written Testimony of Mr. Dave Schryver

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Subcommittee on Energy, Climate, and Grid Security

Hearing on "Fueling America's Economy: Legislation to Improve Safety and Expand U.S. Pipeline Infrastructure"

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Good morning, Chairman Duncan, Ranking Member DeGette, and members of the Committee. My name is Dave Schryver, and I am the President and CEO of the American Public Gas Association. Thank you for this opportunity to testify before the Committee.

I am honored to appear today on behalf of the approximately 1,000 communities across the United States that own and operate their retail gas distribution entities. APGA's members include not-for-profit gas distribution systems owned by municipalities and other local government entities, all directly accountable to the citizens they serve. Public gas systems focus on providing efficient, safe, reliable, and affordable energy to their customers and support their communities by delivering fuel to be used for cooking, clothes drying, and space and water heating, as well as for various commercial and industrial applications, including electricity generation.

Safety is Paramount

Pipeline safety is the top priority of APGA's members. Billions of dollars are invested each year in maintaining the safe operation of gas pipelines through the replacement of aging infrastructure and the utilization of tools and technologies specifically designed to identify and mitigate threats to the system. These efforts on the pipelines are pursued in tandem with initiatives to train and qualify those working on the gas infrastructure, and conduct emergency response drills to better prepare for a potential incident. When a significant incident does occur, the industry comes together to determine how to prevent a similar incident from occurring in the future. Often, this includes working with the staff of the Pipeline and Hazardous Materials Safety Administration, on proactive, voluntary efforts and engaging as regulatory efforts progress.

Public gas systems are also investing in leak detection technology that allows them to more accurately monitor their systems to locate and repair leaks. Congress has supported this effort through passage of the Infrastructure Investment and Jobs Act. The Natural Gas Distribution Infrastructure Safety and Modernization Grant Program funds the repair, replacement, and rehabilitation of existing pipeline infrastructure, in addition to certain equipment purchases used for leak detection. Participation in the program is limited to municipally or community-owned utilities. The projects funded through this program, as well as projects funded locally, are enhancing safety and increasing system reliability.

Prioritizing Affordability

Public gas systems deliver affordable energy safely to Americans. Our members have no obligation to deliver a profit to shareholders. Instead, local officials are responsible for setting rates with the goal of delivering energy to their community as safely and affordably as possible. That mission has become even more vital as Americans are struggling with the burden of high prices at the gas pump and rising inflation.

Natural gas has not been immune to price increases in recent years, but data from the Energy Information Administration continues to show that it remains the most affordable energy source to heat your home in the winter.[1] The low price of gas as a commodity is not the only factor at play here.

Homes fueled by natural gas also have the advantage of consuming less energy than electric homes when you consider the full fuel cycle from source to site. To deliver electricity to homes and businesses, almost two-thirds of the energy involved is used or lost before it ever reaches the point of end use. In contrast, when natural gas is being burned as the direct source of energy, less than ten percent is lost between the point of production and the building, making direct use of natural gas almost three times more efficient. As a result, it is estimated that the average home that uses natural gas appliances for heating, cooking, and clothes drying saves over $1,000 a year on their energy bills compared to homes using electric appliances for those purposes.[2]

Emissions reduction efforts also play a critical role in public gas systems' ability to deliver energy affordably. Leaks on the natural gas distribution system are not only bad for the environment; they are also bad for business. APGA members have dedicated significant resources to upgrading their pipeline infrastructure by repairing or replacing leak prone pipe in their systems to decrease the amount of gas lost.

A Proven Reliability Track Record

Natural gas is not only more affordable than electricity, but also more reliable. Only 1 in 800 natural gas customers experiences an unplanned outage in a given year. In comparison, electric customers experience an average of at least one outage every year.[3]

This reliability can be attributed to the inherently secure nature of the underground pipeline network that is used to deliver it. Pipes buried underground are much less vulnerable to extreme weather than above ground electric transmission lines. During extreme weather events like Winter Storms Uri and Elliott, which had devastating consequences for many families that were without electricity for days, gas utilities were able to continue delivering energy to their customers.

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[1] "Average U.S. natural gas bills expected to decrease this winter," U.S. Energy Information Administration, October 19, 2023, *available at:* https://www.eia.gov/todayinenergy/detail.php?id=60722.

[2] "Comparison of Home Appliance Energy Use, Operating Costs, and Carbon Dioxide Emissions 2022 Update," American Gas Association, accessed January 11, 2024, *available at:* https://www.aga.org/research-policy/resource-library/energy-insights-comparison-of-home-appliance-energy-use-operating-costs-and-carbon-dioxide-emissions/.

[3] "Assessment of Natural Gas and Electric Distribution Service Reliability," Gas Technology Institute, July 19, 2018, *available at:* https://www.gti.energy/wp-content/uploads/2019/02/Assessment-of-Natural-Gas-Electric-Distribution-Service-Reliability-SummaryReport-Jul2018.pdf

The Gas Industry Is Confronting Significant Challenges

Even though we know natural gas is the most affordable and reliable way to fuel a home, public gas systems are still facing significant challenges. Some of our members, particularly those in the Northeast, have waitlists for would-be customers who want to receive gas service, but they are unable to do so due to lack of pipeline capacity. This is a direct result of how difficult it has become to permit new natural gas infrastructure. There are simply not enough pipelines to supply gas to everyone who wants it. Unfortunately, in colder climates, this often means households and businesses continue to rely on more carbon-intensive fuels to stay warm in the winter.

Other public gas systems are confronting challenges from those who want to ban new natural gas hookups or change building codes in their cities and counties to disincentivize the use of gas appliances in homes and businesses. These bans are being proposed in spite of the fact that carbon dioxide emissions from residences using natural gas for space heating, water heating, cooking, and clothes drying are about 22% lower than those attributable to an all-electric home.[4]

Not only does this take away a consumer's right to choose the energy source that fuels their home, if successful, these efforts will inevitably lead to higher costs for American families while producing little environmental benefit.

The Cost of Forced Electrification

If politicians force fuel switching on natural gas customers, those households will not only face higher energy bills, but will also have to shoulder the additional cost of expensive new appliances and likely necessary electrical system upgrades to support them, not accounting for likely necessary upgrades to build out the grid.

The installation expense of a high efficiency natural gas furnace is approximately $6,710.[5] The average installation cost of the electric heat-pump alternative is approximately $20,000.[6] The life expectancy of that same natural gas furnace is 21.5 years, while the electric alternative typically lasts just 15 years.[7]

These costs are just for the appliances themselves and do not account for the fact that many homes that currently rely on natural gas appliances would also be forced to upgrade their electric service panels to support the additional load of converting all their appliances to run on electricity.

The Clean Energy Future

We at APGA understand the need to pursue a clean energy future, but we urge Congress not to discount the role natural gas can play in that effort. Natural gas has been delivering emission reductions in the energy sector for decades. With the development of the renewable natural gas industry and the potential for hydrogen, the gas industry can continue to deliver clean energy for American families in the future, utilizing our existing infrastructure and skilled workforce.

It is vital that Congress pursue an all-of-the-above energy policy that continues to invest in and

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[4] "Natural Gas is Essential for Improving our Environment," AGA Playbook, accessed January 11, 2024, *available at:* https://playbook.aga.org/environment.
[5] Energy Information Administration, "Updated Buildings Sector Appliance and Equipment Costs and Efficiencies," https://www.eia.gov/analysis/studies/buildings/equipcosts/pdf/full.pdf.
[6] Massachusetts Clean Energy Center, "MASSCEC PILOT SHOWCASES SUCCESS OF WHOLE HOME HEAT PUMPS," https://www masscec.com/blog/masscec-pilot-showcases-success-whole-home-heat-pumps.
[7] *Id.*

support energy efficient, gas-fired appliances and the infrastructure needed to support their continued use if we are going to realistically achieve our country's clean energy future without compromising the reliability of our energy system and imposing unnecessary financial burdens on consumers.

I thank the Committee for the opportunity to testify, and I look forward to answering any questions.