A NATURAL GAS SUPPLY ASSOCIATION FACT SHEET

# *Natural Gas: Essential to a lower carbon energy future*

**A PACE GLOBAL ANALYSIS ON HOW COST, RELIABILITY & LOW EMISSIONS MAKE NATURAL GAS A CRITICAL COMPONENT**

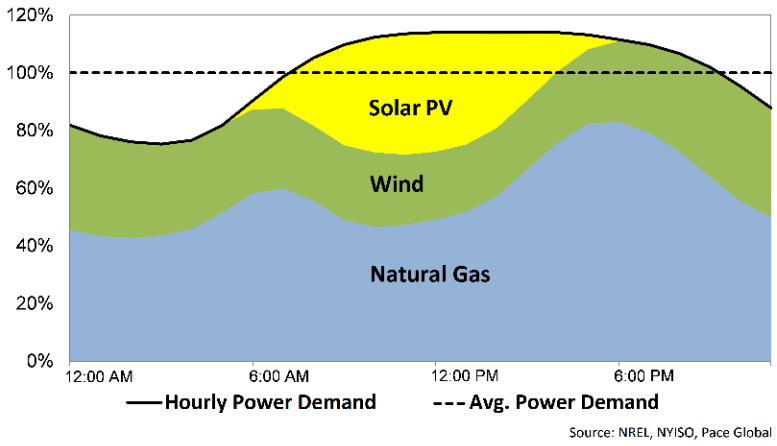
**OVERVIEW:** Natural gas is essential to a lower carbon and more reliable, affordable energy future. In *Natural Gas: Essential to a lower carbon energy future*, Pace Global provides a fact-based resource for policymakers and interested parties to help understand the role of natural gas can play in the future energy mix.

## KEY FINDINGS

- A combination of positive attributes is leading to electric industry decisions to rely on natural gas for meeting growing electric generation needs.
- These decisions are driven by the cost competitiveness of natural gas generation, coupled with its reliable and flexible nature.

  *Natural gas combined cycle technology's capital costs are 2/3 that of the closest competitor and its cost per megawatt hour ($/MWh) is almost half. (Leidos, 2016)*

**Natural Gas Ensures Electric Demand is Met Throughout a Typical Day**




Source: NREL, NYISO, Pace Global

- The reliability, flexibility and cost-competitiveness of natural gas allows for a deeper penetration of renewables.

  *Natural gas complements renewables when they are not able to produce and it meets baseload electric demand, particularly in areas where other baseload technologies are retiring or where renewable energy is not viable.*

- Emissions from the U.S. power sector have declined almost 20 percent since 2005, reaching the lowest levels in about 25 years, primarily because of a market-driven shift to natural gas.
- Natural gas generation is the best available approach to ensure reliability, complement renewables, reduce total emissions, and keep costs lower for consumers.
- This market trend is driven by favorable long-term fundamental economics and is likely to continue into the foreseeable future in a competitive market environment.

## NGSA RECOMMENDATIONS FOR POLICYMAKERS

Include natural gas as a solution in clean energy policies to help reduce greenhouse gas emissions.

Oppose policies that distort the market, such as subsidies for uneconomic generation sources.

Oppose policies that seek to place natural gas at a disadvantage by unnecessarily stalling needed pipeline infrastructure.

Employ a market-based approach that is realistic, considers costs and provides clear sustainable goals.

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