

6. **POLICY: New task force to probe future stability of natural gas prices**

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A bipartisan energy organization and a foundation started by a natural gas business leader announced yesterday that they are convening a task force to examine options for controlling price swings of natural gas.

The group, established by the National Commission on Energy Policy and the American Clean Skies Foundation, will meet several times this year before releasing a report on the fossil fuel in early 2011. The task force -- whose members range from utility giant Southern Co. to the Natural Resources Defense Council, an environmental group - also will consider the issues surrounding a potential new supply of natural gas from recently discovered shale deposits.

"Absent reasonable price stability, it is quite possible that the economic promise of America's natural gas renaissance may be seriously disrupted or delayed," said Norm Szydlowski, a commissioner on the National Commission on Energy Policy and president and CEO of SemGroup Corp., in a statement. "Much is at stake as we move forward, with few recent developments likely to have a more profound impact on the nation's future energy and environmental policy choices."

Natural gas emits roughly half the greenhouse gases that coal does. A federal climate bill released this month by Sens. John Kerry (D-Mass.) and Joe Lieberman (I-Conn.) offers increased tax credits for natural-gas vehicles and incentives for some coal plants to shift to natural gas.

But natural gas has undergone extensive price fluctuations in the past decade, raising concerns among energy-intensive industries that depend on the fuel for manufacturing.

Concerns about adequate supplies

In congressional testimony in late 2009, for example, Edward Stones of Dow Chemical Co. said that much of the U.S. chemical industry grew when natural gas prices hovered at or below \$2 per million British thermal units. After 2001, he argued, there was greater uncertainty for his industry as prices jumped around in a much higher range. The industry uses natural gas as its main feedstock.

One of the issues the new task force will examine is shale gas, which sits in massive deposits stretching in pockets from New York to Texas. Shale gas offers a huge potential natural gas supply but also is criticized by some environmentalists because of its dependence on a drilling technique called hydraulic fracturing, which involves blasting sand, chemicals and water into a wellbore for extraction.

In 2009, the Potential Gas Committee estimated that the United States holds 1,836 trillion cubic feet (tcf) in natural gas resources, a jump from 1,321 tcf in 2006. Much of the surge came from new estimates of shale gas, the committee said.

The National Commission on Energy Policy is a bipartisan group of energy experts and a project of the Bipartisan Policy Center, which was founded in 2007 by former Senate Majority Leaders Howard Baker (R-Tenn.), Tom Daschle (D-S.D.), Bob Dole (R-Kan.) and George Mitchell (D-Maine).

The American Clean Skies Foundation is a Washington, D.C.-based nonprofit with a stated goal of reducing the nation's energy independence through increased natural gas and renewable power. It was founded by Aubrey McClendon, CEO of Chesapeake Energy, one of the nation's top natural gas producers.



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