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The National Commission on Energy Policy and the American Clean Skies Foundation Announce Task Force on Ensuring Stable Natural Gas Markets

Task Force to Evaluate Factors Underlying Gas Market Stability and Consider Best Private Sector and Public Policy Strategies

(Washington, DC) – The National Commission on Energy Policy (NCEP) and the American Clean Skies Foundation (ACSF) today announced that they are convening a Task Force of energy experts that aims to ensure more stable natural gas markets.

The Task Force on Ensuring Stable Natural Gas Markets, which includes major energy producers, energy consumers, environmental organizations and public interest groups, will explore new options for reducing and managing future price swings for natural gas, while considering the potential for major supply increases from U.S. shale gas production. According to the June 2009 report of the Potential Gas Committee, shale gas discoveries have increased America's resource base by nearly 40% since 2006 to approximately 2,000 trillion cubic feet, roughly 100 times current annual consumption.

"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 Sydlowski, NCEP Commissioner and President and CEO of SemGroup Corporation. "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."

"This is the time for a comprehensive new review of price concerns for this key energy source with all the stakeholders," said Gregory C. Staple, CEO of American Clean Skies Foundation. "With a bright outlook for natural gas supplies, we think the time is ripe for crafting new solutions to some of the historical obstacles surrounding greater natural gas use for both large and small industrial gas consumers, chemical companies and power generators."

“Better tools for managing price volatility may be an essential prerequisite for recognizing the economic promise of America’s new resource base,” noted Jason Grumet, President of the Bipartisan Policy Center, of which the National Commission on Energy Policy is a project.

Project Background

Since the 1980s, natural gas price swings have created a cycle of high prices that reduce industrial demand, followed by large cutbacks in production and falling gas prices. These price cycles have hurt producers and consumers alike.

Natural gas production depends on steady, long-term demand from end-users, especially industrial consumers, at prices that cover upstream production and transport costs. However, fearing a tight market for natural gas, large consumers have traditionally been wary of expanded natural gas use in the power sector, arguing that power generators are not subject to global competition, leaving manufacturers to absorb any resulting price shock from reduced supplies.

In recent months, a number of interest groups have pointed toward the importance of natural gas as a means to achieve U.S. greenhouse gas reductions by displacing coal-fired power generation with natural gas-fired power generation, as natural gas has a lower carbon content than coal.

In addition to the May meeting, the Task Force will convene in July and December 2010. The Task Force anticipates releasing its final report, with key conclusions and recommendations, in early 2011.

Background papers for the workshops have been commissioned from leading industry and academic experts. The May workshop includes papers by Stephen Brown and Alan Krupnick of Resources for the Future; Ken Medlock of Rice University; Rick Smead of Navigant Consulting; and Frank O’Sullivan from the MIT Energy Initiative.

Task Force membership includes:

Project Co-Chairs

National Commission on Energy Policy
American Clean Skies Foundation

Project Sponsors

American Gas Association Foundation
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About the American Clean Skies Foundation

The American Clean Skies Foundation, a Washington-based nonprofit, supports energy independence and a clean, low-carbon environment through expanded use of natural gas and renewables. For more information, visit www.cleanskies.org.

About the National Commission on Energy Policy

The National Commission on Energy Policy is a bipartisan non-profit organization that examines key policy issues related to energy. The Energy Commission is a project of the Bipartisan Policy Center.

In 2007, former U.S. Senate Majority Leaders Howard Baker, Tom Daschle, Bob Dole, and George Mitchell formed the Bipartisan Policy Center (BPC) to develop and promote solutions that can attract the public support and political momentum to achieve real progress. Currently, the BPC focuses on issues including health care, energy, national and homeland security, transportation, science and economic policy. For more information, please visit our website:

www.bipartisanpolicy.org.

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