



Industrial Energy Consumers of America

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News Release

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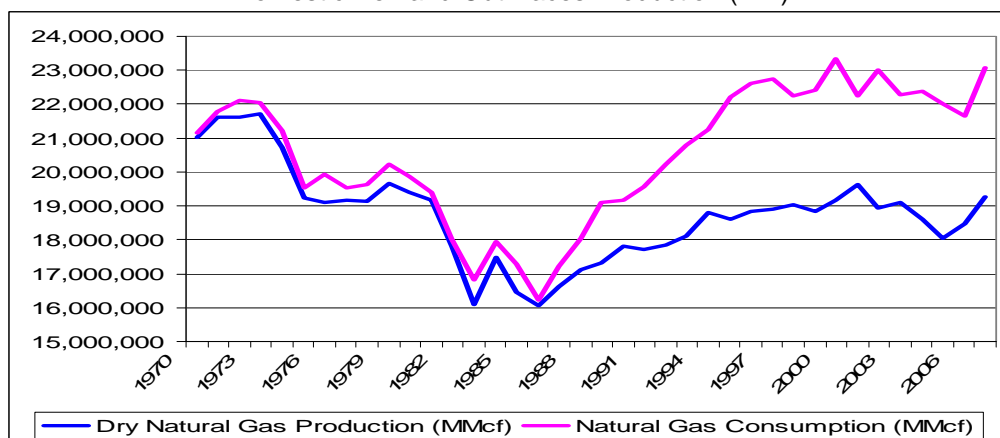
Headline: “Wood Mackenzie Report Says Senate Climate Bill Could Reduce Natural Gas Production as Much as 32 Percent in 2012 - When More is Needed”

(Washington D.C.) – The May 29, 2008 Wood Mackenzie Report on the impacts of the America’s Climate Security Act of 2007 on domestic natural gas production is of great concern to consumers. “At a time when more natural gas is needed to meet growing demand, including the global warming challenge, any supply reduction could result in an alarming increase in the price of natural gas,” said Paul N. Cicio, President of the Industrial Energy Consumers of America. “US natural gas production has been essentially flat since 2000 while demand is up 9.8 percent and prices rose 189 percent in that same time period, according to Energy Information Administration and NYMEX data.”

The report found that as much as 32 percent of expected natural gas supply in year 2012, rising to more than 45 percent in 2017, could be put at risk if natural gas exploration companies are forced to bear the emission allowance costs. “The alternative is to increase our reliance on imports of LNG which is currently unreliable in supply, will increase our dependency upon OPEC type countries and negatively impact our trade deficit,” said Paul N. Cicio. “Increasing domestic production is essential. “

Manufacturing competitiveness for basic industry is directly linked to the relative price of natural gas in the United States versus other countries. The significant increase in the price of natural gas since 2000 has been a significant contributor to the loss of 3.3 million jobs or 19.2 percent of all manufacturing jobs.

Domestic Demand Out-Paces Production (EIA)



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