



Industrial Energy Consumers of America

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News Release

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Headline: "California AB 32 - Another Mandate that Accelerates Demand for Natural Gas Without Increased Supply"

(Washington D.C.) – "AB 32, California's Global Warming Solutions Act is yet another mandate that will accelerate consumption of natural gas without any consideration to our nation's failing natural gas supply. According to the Energy Information Administration, US production fell by 7.1 percent since year 2001," said Paul N. Cicio, President of the Industrial Energy Consumers of America. "A cap on greenhouse gas emissions will result in fuel switching from coal and oil to natural gas, further exasperating the five year natural gas supply crisis that has seen natural gas prices spiking to over \$15.00 per MM Btu."

Today is not a happy day for the US manufacturing sector. Congress is leaving town without acting upon the Outer Continental Shelf legislation that would address our country's dwindling natural gas supply; and California enacts legislation that will spur additional demand. We are truly disappointed and concerned.

Given California's action, IECA calls upon Senator Feinstein and Boxer to become proactive national leaders to increase natural gas supply in California and across the nation. Individual states that continue to demand more natural gas must play an active role in increasing supply. According to the Energy Information Administration, California already consumes 7.5 times more natural gas than they produce and this number does not include the volume of natural gas consumed through imported electricity, which is substantial.

An individual state increasing demand of natural gas is not a zero sum game. Greater demand for natural gas by the state of California, without increasing supply, will increase the natural gas price for everyone in the country. And, without globally competitive natural gas prices, more manufacturing jobs are going to be lost.

IECA is a 501 (C) (6) nonprofit organization of consumers created to promote the interests of manufacturing companies for which the availability, use and cost of energy, power or feedstock play a significant role in their ability to compete in domestic and world markets. IECA membership represents a diverse set of industries including: plastics, cement, paper, food processing, chemicals, brick, aluminum fertilizer, insulation, steel, glass, industrial gases, pharmaceutical, and brewing.