



CEO Update

May 2023

It has been an eventful month for our industry. The value of natural gas continues to be challenged on multiple fronts, but your companies, and the American Gas Association, continue to work to ensure that key stakeholders and decision makers have thorough and objective data when proposing ideas and making decisions. As we work to ensure consumers have transparent and science-based information around cooking with gas, a pivotal study on natural gas cooking and indoor NO₂ and the potential impact on asthma and wheeze has been published in the peer-reviewed journal of Global Epidemiology. This study, entitled “Gas Cooking and Respiratory Outcomes in Children: A Systematic Review” confirms that “the epidemiology literature is limited by high heterogeneity and low study quality and, therefore, it does not provide sufficient evidence regarding causal relationships between gas cooking or indoor NO₂ and asthma or wheeze.” In parallel, our team has been hard at work on comments related to a Request for Information at the Consumer Products Safety Administration around the safety of cooking with gas that is due on May 8.

Last month, there was a decisive 3-0 ruling of the 9th Circuit Court in California Restaurant Association v. Berkeley, which found the Energy Policy and Conservation Act (EPCA) preempts state and local regulations concerning the energy use of natural gas appliances, including Berkeley’s building code which prohibits natural gas piping into new buildings and thereby prevents those appliances from using natural gas. AGA filed an [amicus](#) in the case and issued [this press release](#) when the unanimous decision was announced. Multiple cities with bans following a similar model have put their plans on hold in light of this ruling,

protecting the ability of our customers to continue receiving this vital energy. While there is still work to be done, this was an important step that will help safeguard energy choice for consumers and help our nation continue on a path to achieving our energy and environmental goals.

We know that customers want the energy we provide. Even in California, the state which has gone furthest to hinder the growth of our industry, the natural gas customer base grew by 44,000 in 2021, the last year for which there is available data. AGA's 2023 Playbook shows that nationwide, signups for gas heating outnumber signups for electric by a rate of four to one. Our customers recognize the affordability, safety, and lifesaving reliability of natural gas. We will continue fighting to help our nation, our communities and our customers retain access to the energy that they want and the economic and environmental benefits it brings.

See you at our next Board meeting or the Financial Forum in a few short weeks.

Best regards,



Karen A. Harbert
President & CEO
American Gas Association

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CRA v Berkeley

In the case of the California Restaurant Association v Berkeley, the U.S. Court of Appeals for the Ninth Circuit held that the EPCA preempts State and local regulations concerning the energy use of natural gas appliances, including Berkeley's building code which prohibits natural gas piping into new buildings and thereby prevents those appliances from using natural gas. AGA filed an amicus brief in support of this outcome, which is available [here](#). We issued the following statement upon the announcement of the verdict: "The U.S. Court of Appeals for the Ninth Circuit took a huge step today that will both safeguard energy choice for California consumers and help our nation continue on a path to achieving our energy and environmental goals," said Karen Harbert, AGA president and CEO. "Natural gas has been one of the primary drivers to achieving environmental progress, and any ban on this foundation fuel will saddle consumers with significant costs for little environmental gain. The natural gas industry has led the way in reducing our nation's emissions, and we will continue to innovate and advance technologies to help ensure Americans have access to the efficient and reliable energy they need and expect."

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[Regulation Roundup](#)

AGA Files Comments on CEQ Interim GHG Guidance

AGA filed comments responding to the White House Council on Environmental Quality's (CEQ) Interim NEPA Guidance on Consideration of Greenhouse Gas Emissions and Climate Change. This guidance outlines what agencies should be analyzing in terms of greenhouse gas (GHG) emissions and climate-resilient design issues under the respective agency's substantive purview. As such, the guidance is designed to supplement CEQ's rules implementing NEPA. The 2023 update encourages agencies to make a greater, and more expansive, effort to quantify GHG emissions and encourages agencies to mitigate emissions to the greatest extent possible. AGA's comments highlight the critical role that the natural gas industry plays in the clean energy transition, as well as our strong support for a fair and efficient federal permitting system that enables the timely review, approval, and construction of the critical energy infrastructure that is crucial to meeting U.S. energy needs and reducing GHG emissions. AGA's comments also raised several significant concerns with CEQ's Interim guidance,

including that the Guidance will generate regulatory uncertainty, increase information requirements, and slow permitting reviews for critical projects. AGA's full comments are available [here](#).

AGA Responds to DOE SNOPR on Stove Efficiency

AGA filed comments related to the U.S. Department of Energy's (DOE) proposed rulemaking for new and amended energy conservation standards for consumer conventional cooking appliances which would remove a large portion of natural gas cooking products from the market. Our comments lay out the procedural and legal errors in the proposed rule, the errors and omissions involved in DOE's flawed methodology and the negative impact of limiting energy and appliance choices for customers and communities: "AGA encourages DOE and stakeholders to develop a solutions-oriented approach to energy conservation that ensures any proposed efficiency standards for cooktops actually reduce energy use, protect consumers, and not eliminate an entire product class from the market." AGA's full comments are available [here](#).

AGA Files Comments on FTC Green Guide

Joint comments filed by the American Gas Association, the American Public Gas Association, and the National Propane Gas Association highlight the fact that the Federal Trade Commission (FTC) Act forecloses the FTC from making environmental policy, as the FTC has repeatedly recognized previously. Proposed updates to the Green Guide would foreclose the use of the very term "natural gas" as a type of alleged greenwashing. Natural gas is a term that has been in extensive use for centuries. Customers recognize it for what it is – a source of safe, affordable and reliable energy relied on by tens of millions of Americans. Fortunately, as our comments reflect, forbidding the use of the name of this critical energy source is not within the remit of the FTC. Our comments urge the FTC not to go beyond its authority by making environmental policy in an effort to regulate a term that has been in common usage for centuries. The full comments are available [here](#).

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[Research and Analysis](#)

No Demonstrated Causality between Gas Cooking and Respiratory Outcomes in Children: A Systematic Review

As we work to ensure consumers have transparent and science-based information around cooking with gas, a pivotal study on natural gas cooking and indoor NO₂ and the potential impact on asthma and wheeze has been published in the peer-reviewed journal of Global Epidemiology. This study, entitled “Gas Cooking and Respiratory Outcomes in Children: A Systematic Review” and published in Global Epidemiology, is the largest survey yet conducted on existing research into this topic, examining all 66 publicly available peer-reviewed studies on this topic. AGA funded this research but was not involved in the drafting of this paper and the authors had sole responsibility for the contents and professional opinions offered. The purpose of this initial study is to provide an accurate and complete assessment of current research on this important topic.

The comprehensive review finds that studies generally have high variability in terms of study region, age of children, exposure definition and outcome definition. Studies also generally have low quality: “a large proportion of the studies to date are subject to multiple sources of bias and inaccuracy, primarily due to self-reported gas cooking exposure or respiratory outcome, insufficient adjustments for key confounders (e.g., environmental tobacco smoke, family history of asthma or allergies, socioeconomic status or home environment) and unestablished temporality.” The authors conclude that “the epidemiology literature is limited by high heterogeneity and low study quality and, therefore, it does not provide sufficient evidence regarding causal relationships between gas cooking or indoor NO₂ and asthma or wheeze.”

AGA is committed to a robust scientific debate on this issue and will work to ensure that this debate is grounded in facts and data. The full study is available [here](#) and AGA’s full press release is available [here](#).

Energy Insights – New Gas Homes Growing at Twice the Rate of Electric

New analysis from AGA shows that the recent pace of natural gas space heating additions continues to dramatically outpace electric space heating additions, including ductless electric heating. There were more than five million new homes that used natural gas for main space heating added between 2015 and 2020. The additions of new natural gas heated homes are three times higher than the number of new electric space-heating homes.

Furthermore, the number of homes with electric heat pumps continues to increase but appears to be largely installed as a replacement for inefficient electric resistance heat. The share of all homes using electric heat didn’t increase between

2015 and 2020, suggesting that electric heat pumps are replacing existing electric heating systems and not natural gas. The full analysis is available [here](#).

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What's Happening at AGA

Operations and Engineering Conference

AGA's 2023 Operations and Engineering Conference is taking place from May 1-4. This conference is the natural gas industry's premier gathering of natural gas utility and transmission company operations management from across North America and the world for the sharing of technical knowledge, ideas, and practices to promote the safe, reliable, and cost-effective delivery of natural gas. The Operations Conference is AGA's largest forum with regularly more than 900 operators in attendance, including 100 speakers, and over 120 technical presentations.

AGA's biannual exhibition will be held in conjunction with the conference. The exhibition attracts approximately 250 domestic/international vendors occupying 50,000+ square feet of Exhibit Space.

New Mexico State University Current Issues Conference

AGA representatives spoke at the New Mexico State Center for Public Utilities Current Issues Conference, which was held from April 16-19. Juan Alvarado, AGA Managing Director, and Matt Agen, AGA Chief Regulatory Counsel, Energy presented on AGA studies, including our recent Advancing America study on the vital importance of natural gas to American agriculture. Linn Evans, President and CEO, Black Hills Corporation, also spoke on a panel highlighting our agriculture study and praising AGA's peer review program as well as emphasizing the need for continued investment in our infrastructure particularly as gas utilities deploy increasing volumes of RNG and hydrogen.

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News You Can Use

Bloomberg: [**Drop the 'Natural' in Natural Gas, Climate Activists Urge US Officials**](#)

Washington Examiner: [Berkeley ruling threatens gas stove bans all over the country](#)

The Washington Times: [Federal court overturns nation's first city ban on natural gas](#)

Progressive Farmer: [Report: US Ag Dependent on Natural Gas](#)

Natural Gas Intelligence: [No Causal Link Found Between Natural Gas Cooking and Childhood Asthma, Says AGA](#)

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American Gas Association

400 N. Capitol St. NW
Washington, D.C. 20001