

AGA Hearing Testimony
NJ Draft Energy Master Plan

Good afternoon Commissioners and thank you for the opportunity to speak at today's hearing. My name is Emily O'Connell and I am the Director of Energy Markets Policy at the American Gas Association. AGA represents the interests of more than 200 local energy companies that deliver natural gas to homes and businesses across the country. We have three members operating here in New Jersey, and in fact, 75 percent of the homes in this state rely on natural gas for their heating.

I am here today because I work with our members as they endeavor to improve the sustainability of their business. This means anticipating the needs of tomorrow's customer, and driving innovation and business solutions to meet those needs.

Natural gas utilities have an enviable track-record of driving down emissions and improving efficiency. And they are committed to continuing this progress.

Many utilities are now exploring renewable sources of natural gas as one innovative pathway to further reduce emissions.

Renewable natural gas (RNG) is pipeline-compatible fuel derived from biogenic or other renewable sources, and has a lower carbon footprint than geologic natural gas. It's just as versatile and can be used interchangeably with today's natural gas. We have a tremendous opportunity to leverage the existing pipeline network to deliver more renewable and lower-carbon fuels to homes and businesses.

Current resource estimates for RNG are substantial and growing, as technology advances and market conditions align to drive investment. Today's RNG is produced primarily from waste streams such as landfills, wastewater treatment facilities, and animal manure. On the horizon, new production technologies and feedstocks like crop waste and forestry residue will expand that resource base.

Perhaps most exciting is that RNG that can be produced from renewable electricity. So-called power-to-gas technology uses the natural gas pipeline system as a long-term storage solution for excess renewable electricity – an option that battery technology cannot provide.

The facts are clear – demand for renewable natural gas is rising. In the transportation sector alone, the use of RNG has increased more than 500 percent in the last 5 years¹.

And interest from utilities, commissions and legislatures is growing. Many states are developing frameworks to advance the use of RNG. Fifteen states have considered legislation or regulatory proposals. And eight natural gas utilities are developing or have implemented programs to offer RNG to their customers. We expect these numbers to grow.

Here in New Jersey, residents have invested billions of dollars into the state's safe and reliable natural gas infrastructure system.

We urge the commission to recognize this critical infrastructure that is delivering clean fuel today, and leverage it to deliver new renewable fuels in the future. Thank you again for the opportunity to share how renewable natural gas can help New Jersey meet its environmental goals.

¹ <http://www.rngcoalition.com/infographic>