



CONSUMER **ENERGY** ALLIANCE
THE VOICE OF THE ENERGY CONSUMER



Georgia Residents Benefit from Affordable Natural Gas

Energy from clean, abundant and affordable natural gas has saved Georgia's families and businesses almost \$16 billion between 2006 and 2016.¹

Georgia's crops and livestock are responsible for feeding millions of Americans and are a critical component of the state's economy. Currently, there are 9.6 million acres of our state's lands devoted to the production of cotton, peanuts, blueberries, sweet corn, poultry, beef and much more. According to the Georgia Department of Agriculture, farm products contribute \$73.3 billion to the state's economy annually.

Georgia's 25,000 farms and 17,000 livestock operations – and their ability to contribute to the economy – rely heavily on energy.² Resources such as oil and natural gas are necessary to plant, harvest, and prepare crops to transport to market. Fuels necessary to power farm equipment and manufacture pesticides and fertilizers, to help develop robust crops and replenish soil nutrients, are derived from oil and gas products.

We should protect our access to these reliable, affordable energy resources in order to preserve our state's economic well-being. While Georgia's agriculture industry directly impacts our state, so too does the energy industry, and it's not only farmers and ranchers. Energy from clean, abundant and affordable natural gas has saved both families and businesses in Georgia almost \$16 billion between 2006 and 2016.

Access to energy supports just about everything we do across Georgia. It fuels our cars and trucks and cools our homes during the hot, humid summer months. It is crucial that Georgians work with local and state governments to guarantee that families and businesses can continue to count on domestic energy and the pipeline networks that deliver it to our homes and businesses. We cannot take it for granted.

Georgia's 25,000 farms and 17,000 livestock operations – and their ability to contribute to the economy – rely heavily on energy.



\$16
BILLION

Increased production of oil and natural gas across the U.S. has helped save Georgia families and businesses more than \$16 billion.



Affordable Energy for Georgia

On average, each resident of Georgia spent \$3,022 to meet their energy needs in 2016.³ With almost 15 percent of the state’s population living at or below the poverty line, this translates to almost one-quarter of their income going toward energy expenses.^{4,5} That is over 1.5 million Georgians who live in poverty; or, enough people to fill Atlanta’s Mercedes-Benz Stadium more than 21 times.⁶

Unfortunately, it is not just Georgians. Many American families struggle daily to pay for rising energy costs. According to a 2015 survey by the U.S. Energy Information Administration, nearly one-third of American households struggled to pay their energy bills to light, heat and cool their homes. The survey found that roughly “one in three households reported reducing or forgoing basic necessities like food and medicine to pay an energy bill, and 14 percent reported receiving a disconnection notice for their energy service. Households also used less energy than they would prefer to - 11 percent of households surveyed reported keeping their home at an unhealthy or unsafe temperature.”⁷

Moreover, it is not just lower income families who face energy insecurity. Across the nation, more and more families are living paycheck-to-paycheck - with little to no savings. A January 2018 survey by Bankrate found only 39 percent of Americans had \$1,000 saved to cover a financial emergency.⁸ CNBC recently reported that “69 percent of Americans had less than \$1,000 in total savings and 34 percent had no savings at all.”⁹

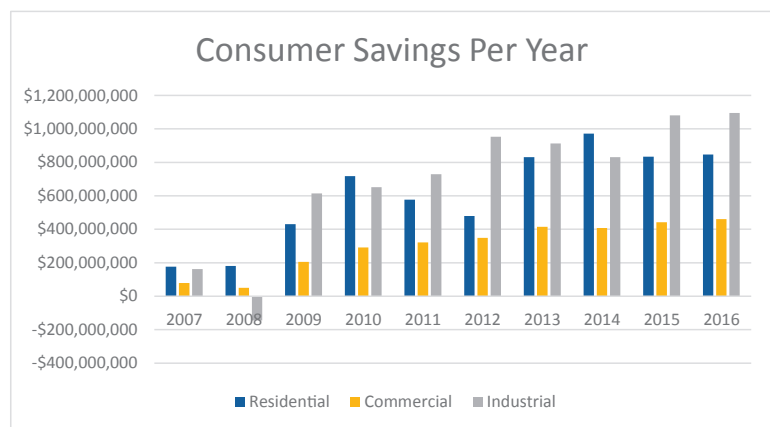
Fortunately, the development of affordable energy resources helps benefit the most disadvantaged among us by reducing the cost of basic necessities such as energy, freeing up resources to pay for adequate housing, clothing, and food.



On average, each resident of Georgia spent \$3,022 to meet their energy needs in 2016.

Oil and Natural Gas Essential for Powering Georgia

Currently, Georgia does not have any crude oil or natural gas production. However, in recent years energy developers have been investigating potential resources the Conasauga Shale Field in northwest Georgia. Unless, and until, Georgia starts generating enough of its own energy, the Peach State will receive much of its energy supplies via interstate pipelines. To meet its energy demand, the state also receives



Source: Energy Information Administration; calculations developed by Orion Strategies



petroleum products that are imported from around the world via the Port of Savannah. Additionally, the Elba Island LNG import terminal also supplies the state with natural gas from other nations, including Trinidad and Tobago, Qatar and Egypt.

Georgia serves as a strategic point in our nation’s interstate refined products pipeline network.¹⁰ Refined products are the transportation fuels derived from crude oil that is sent to our refineries. The two most important pipelines that serve the East Coast with gasoline, diesel, and jet fuel connects with the Gulf Coast refinery network run through the state, and it also includes critical infrastructure and storage.¹¹ These pipelines deliver over 125 million gallons of fuel a day, and Georgia is a crucial energy crossroads for our country and serving the needs of growing cities across the Southeast.

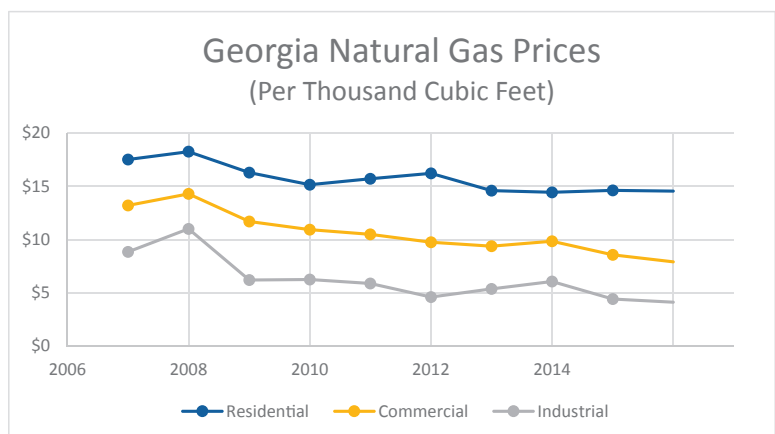
Georgia’s electricity power generators are the primary users of natural gas in the state, with two out of every five Georgia households relying on natural gas for heat during the winter.¹² There are, however, less than five percent of Georgia residents who utilize petroleum products - primarily through propane - to heat their homes. Though this is a small percent, other sectors of Georgia’s economy are heavily dependent on them.¹³ The state is listed among the top 10 petroleum-consuming states in the U.S. with Georgia’s transportation sector accounting for 90 percent of the consumption, with its industrial sector coming in as the second largest user of petroleum products.



Two out of every five Georgia households rely on natural gas for heat during the winter.

Energizing Georgia’s Economy

Nationwide, due to continuous advancements in horizontal drilling and hydraulic fracturing, the energy industry has increased production of natural gas across the U.S., enabling Georgia consumers to save almost \$16 billion between 2006 and 2016. Residential users alone saved more than \$6 billion, while commercial and industrial users saved more than \$9.9 billion combined.



Source: U.S. Energy Information Administration

According to a PricewaterhouseCoopers study in 2015, the oil and natural gas industry contributed 142,700 jobs and accounted for more than \$7.5 billion in wages for the State of Georgia. These jobs represent the truck drivers, engineers, caterers and contractors



who make oil and gas development, production and delivery possible. Their wages invigorate Georgia's economy via real estate and vehicle purchases, local small businesses and hospitality destinations such as restaurants and hotels as well as housing communities and new small businesses. In total, oil and gas provide over \$13.7 billion to Georgia's state economy, including employee compensation, proprietors' income, income to capital owners from the property and indirect business taxes.¹⁴

Georgia's Energy Future

Sadly, Georgia's pipeline network and potential access to valuable onshore energy supplies are under attack by anti-development activists who continue working to eliminate the production and transportation of safe, affordable sources of energy. These anti-development efforts not only harm the environment, but they also lack solutions to help meet consumer demand and threaten our environmental goals.

Rigorous environmental standards and energy production can and do coexist. From 2000 to 2017, nationwide emissions of key pollutants have decreased across the board:

- 52 percent decrease in nitrogen oxides (NOx)
- 83 percent decrease in sulfur dioxide (SO₂)
- 19 percent decrease in volatile organic compounds (VOCs)
- 37 percent reduction in fine particulate matter (PM_{2.5})¹⁵

Additionally, since 2005 the U.S. power sector has reduced carbon dioxide (CO₂) emissions by 28 percent.¹⁶ In December 2017, the oil and gas industry announced its Environmental Partnership to reduce emissions of methane and volatile organic compounds further.¹⁷ These improvements are occurring at a time when our country has catapulted forward to become the world's leading producer of oil and natural gas.

Consumer Energy Alliance (CEA) works to support and advocate for the continued development of oil and natural gas as well as other traditional and alternative energy sources. CEA also recognizes the vital role that transportation infrastructure like pipelines and transmission lines serve, as they are critical for moving energy throughout Georgia. With the savings that have occurred in recent years, Georgia's policymakers, regulators and leaders must come together in support of access to energy resources and infrastructure development that will help the state continue to thrive, and ensure that hard-working families, seniors, households and small businesses can continue to enjoy the benefits that low prices are bringing to these communities.

According to a PricewaterhouseCoopers study in 2015, the oil and natural gas industry contributed 142,700 jobs and accounted for more than \$7.5 billion in wages for the State of Georgia.



- 1 Calculations developed by Orion Strategies. \$6.88 billion saved by industrial users, \$6.04 billion saved by residential users, and \$3.02 billion saved by commercial users. This number was calculated by using the annual average price per thousand cubic feet of natural gas for residential, commercial, and industrial consumers. This EIA price was then applied to the total MMcf consumed in Georgia, also sourced by EIA. The Consumer Price Index (CPI) utilized by the Bureau of Labor and Statistics was applied to each year's price in order to adjust each price to 2016 dollars. 2016 was used as a cutoff date as 2017 CPI data was not available at the time of publication.
- 2 <https://www.gfb.org/education-and-outreach/about-ga-agriculture.cms>
- 3 https://www.eia.gov/state/seds/sep_sum/html/pdf/rank_pr.pdf
- 4 <https://talkpoverty.org/state-year-report/georgia-2018-report/>
- 5 Based upon 2019 HHS Poverty Guidelines. <https://aspe.hhs.gov/poverty-guidelines>
- 6 <https://www.stadiumsofprofootball.com/stadiums/mercedes-benz-stadium/>
- 7 <https://www.eia.gov/consumption/residential/reports/2015/energybills/>
- 8 <https://www.bankrate.com/banking/savings/financial-security-0118/>
- 9 <https://www.cnbc.com/2018/01/18/few-americans-have-enough-savings-to-cover-a-1000-emergency.html>
- 10 <http://www.colpipe.com/home/about-colonial>
- 11 https://www.kindermorgan.com/business/products_pipelines/plantation_history.aspx
- 12 Ibid.
- 13 <https://www.eia.gov/state/analysis.php?sid=GA#47>
- 14 https://www.api.org/~media/Files/Policy/Jobs/Economics-Nat-Gas-Oil/API_OilEconomy_Georgia.pdf
- 15 <https://www.epa.gov/air-trends/air-quality-national-summary#emissions-trends>
- 16 <https://www.eia.gov/todayinenergy/detail.php?id=37392>
- 17 <https://theenvironmentalpartnership.org/>