

March 21, 2022

The Honorable Henry
McMaster
Governor of South Carolina
1100 Gervais Street
Columbia, SC 29201

The Honorable James H.
"Jay" Lucas, Speaker
South Carolina House of
Representatives
506 Blatt Bldg.
Columbia, SC 29201

The Honorable Thomas C.
Alexander, President
South Carolina State Senate
213 Gressette Bldg.
Columbia, SC 29201

Dear Governor McMaster, Speaker Lucas and President Alexander:

Consumer Energy Alliance (CEA) thanks you for joining the chorus of voices calling for the immediate ramp up of domestic oil and natural gas production to ensure Americans have access to reliable and affordable energy resources necessary to survive. We can save families and small business across the state and the entire nation from the uncertainty of imported energy while accelerating innovation in traditional and renewable energy sources alike.

Consumer Energy Alliance (CEA) is the largest third-party organization representing the voice of the energy consumer. With more than 550,000 members nationwide, CEA's mission is to help ensure stable prices, advances in environmental performance, national energy security, and energy reliability for households and businesses across the country. CEA's members include families, farmers, small businesses, distributors, producers, organized labor, and manufacturers all coming together as a broad organization to support America's environmentally sustainable energy future. Since 2006, CEA has worked to encourage people across the nation to seek sensible, realistic, affordable, and environmentally responsible solutions to meet our daily energy needs.

CEA is focused on a realistic energy policy strategy that advances our shared environmental goals while maintaining affordable and reliable energy, and recognizing that we will need "all-of-the-above" solutions to meeting our national and individual energy needs. CEA promotes environmentally sound policies to utilize all of our natural resources responsibly. This includes all traditional and alternative resources as well as energy-efficient technologies to move our economy and power the lives of our communities and neighbors – many of whom are struggling to make ends meet.

As he entered office, President Biden said that he would be antagonistic toward oil and natural gas. True to his word, during President Biden's first month in office, he paused oil and gas leasing on federal lands and waters. He denied approved leasing plans in the National Petroleum Reserve Alaska (NPR-A) and imposed sweeping regulatory measures across several federal agencies designed to frustrate energy production and its related infrastructure development. From Inauguration Day 2021 to the week preceding the invasion of Ukraine, the average retail price for U.S. gasoline already increased more than \$1.10 per gallon. While the Russian invasion has further increased gasoline prices, it is clear that we already had a problem with our energy policy.

While the U.S. has placed stringent regulatory burdens on domestic energy development, Russia has become the third largest producer of oil in the world. Current U.S. production is almost 1.5 million barrels per day (bpd) below peak levels from November 2019, when oil averaged \$63.21 per barrel. Over the past year, the U.S. has increased its imports of Russian oil substantially, reaching a high of 870,000 bpd in May 2021. While the President has announced a ban on future imports from Russia, we are

currently still importing more than 500,000 per day. At current oil prices, this equates to approximately \$67 million per day.

Oil and gas production on federal and Tribal lands as well as offshore areas generated \$8.78 billion in Fiscal Year 2021. These funds enable states and Tribes to pursue local conservation projects.

A paradoxical trend has emerged across Europe and Asia as nations have punitively regulated natural gas and must now rely on higher emitting resources to balance intermittent energy sources. Natural gas production and transportation must not be encumbered by regulations that do not consider economic or environmental impacts.

Natural gas is essential to South Carolina. The state relies on natural gas for much of utility-scale generation and enjoys electricity rates lower than the national average across the residential, consumer and industrial sectors. Policies that decommission reliable and affordable energy resources will only exacerbate high consumer costs. We have already seen some federal proposals that would cost consumers nationwide \$258 billion for requirements to switch water heaters, stoves, furnaces and dryers.

CEA urges your continued support for policies to increase domestic energy production of all forms. This will be achieved by ending the pause on oil and gas leasing on federal lands and waters and expediting the permitting and deployment of domestic energy resources. We must focus on the shared goal of affordable, reliable and environmentally responsible energy for all American families and small businesses. We ask that you encourage your fellow state leaders to reach out to the Biden Administration and let them know to support American energy for all South Carolinians.

Sincerely,



Kevin Doyle
Vice President of State Affairs
Consumer Energy Alliance