

March 21, 2022

The Honorable Glenn Youngkin
Office of the Governor
P.O. Box 1475
Richmond, VA 23218

The Honorable Thomas K. Norment
Senate Minority Leader
Pocahontas Building, Room 603
Richmond, VA 23218

The Honorable Richard Saslaw
Senate Majority Leader
Pocahontas Building
Room No: E602
Richmond, VA 23218

The Honorable Eileen Filler-Corn
Minority Leader
Pocahontas Building
Room No: E601
Richmond, VA 23219

The Honorable Todd Gilbert
Speaker of the House
Pocahontas Building
Room No: E605
Richmond, VA 23219

Dear State Leaders of Virginia:

Consumer Energy Alliance (CEA) and Virginia Manufacturers Association (VMA) strongly urge you to join 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. We can save families and small business across the Commonwealth 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. CEA is focused on a realistic energy policy strategy that advances our shared environmental goals while maintaining affordable and reliable energy, while recognizing that "all-of-the-above" energy solutions are critical to national and individual security.

From Inauguration Day 2021 to the week preceding the invasion of Ukraine, the average retail price for U.S. gasoline already increased almost \$1.00 per gallon.¹ While the Russian invasion has further increased gasoline prices, it is clear that we already had a problem with our energy policy. Specifically, the U.S. had already placed stringent regulatory burdens on domestic energy development, and allowed Russia to 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.² Over the past year, the U.S. has increased its imports of Russian oil substantially, reaching a high

¹ U.S. Energy Information Administration, https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMM_EPMO_PTE_NUS_DPG&f=W

² U.S. Energy Information Administration, <https://www.eia.gov/dnav/pet/hist/RBRTED.htm>

of 870,000 bpd in May 2021.³ 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.

There are also conservation impacts that the general public may not fully appreciate. Oil and gas production on federal and Tribal lands, as well as offshore areas, generated \$8.78 billion in Fiscal Year 2021.⁴ These funds enable states and Tribes to pursue local conservation projects. Over the past four decades, Virginia has received approximately \$352 million through programs funded by federal offshore lease sales to support places like Shenandoah Valley Battlefields Historic District, the Appalachian Trail and the Rappahannock River Valley.⁵

A paradoxical trend has also 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, environmental, and national security impacts.

Natural gas is essential to Virginians. The Commonwealth relies on natural gas for 61 percent of its utility-scale generation and enjoys electricity rates lower than the national average across the residential, consumer and industrial sectors.⁶ Virginia also ranks #16th best in the US for energy related CO2 metric tons per capita emissions largely due to the conversion to natural gas. Policies similar to the Green New Deal that decommission reliable and affordable energy resources will only exacerbate high consumer costs. As currently proposed, the Green New Deal would cost consumers nationwide \$258 billion for only four household appliances⁷ or \$26,000 per household.

CEA and VMA urges your 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 including but not limited to clean natural gas. We must focus on the shared goal of affordable, reliable, secure, and environmentally responsible energy for all American families and small businesses.

Sincerely,



David Holt
President
Consumer Energy Alliance



Brett Vassey
Chairman
Consumer Energy Alliance
President & CEO, Virginia Manufacturers Assoc.

³ U.S. Energy Information Administration, https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=MTTIM_NUS-NRS_1&f=MA

⁴ U.S. Department of Interior, https://www.onrr.gov/pdfdocs/Fiscal_Year_2021_Disbursements_Press_Release.pdf

⁵ LWCF Coalition, <https://static1.squarespace.com/static/58a60299ff7c508c3c05f2e1/t/5b2d415570a6ad6635ac9ac4/1529692502962/Virginia+fact+sheet+6.13.18.pdf>

⁶ U.S. Energy Information Administration, <https://www.eia.gov/state/?sid=VA#tabs-5>

⁷ Consumer Energy Alliance, <https://consumerenergyalliance.org/cms/wp-content/uploads/2021/04/CEA-Green-New-Deal-04192021.pdf>