

North America's New Energy Future:

A Roadmap for energy self-sufficiency. If we choose it.



Executive Summary

America does big things. Politicians from across the political spectrum have repeatedly told us the opposite is true. But they're wrong. For decades, America has been self-sufficient in supplying the energy for our electricity generation using mostly coal, natural gas, nuclear, hydro, and more recently, wind and solar. And we're doing it again with transportation fuel. Somewhat silently over the past few decades, the U.S. oil and gas sector has improved its capabilities, its technologies and efficiencies in ways that have the potential to significantly increase the U.S. output of energy and reduce the percentage of oil imports to levels that haven't been seen since the 1970s. This revolution in U.S. energy production is our next "big thing."

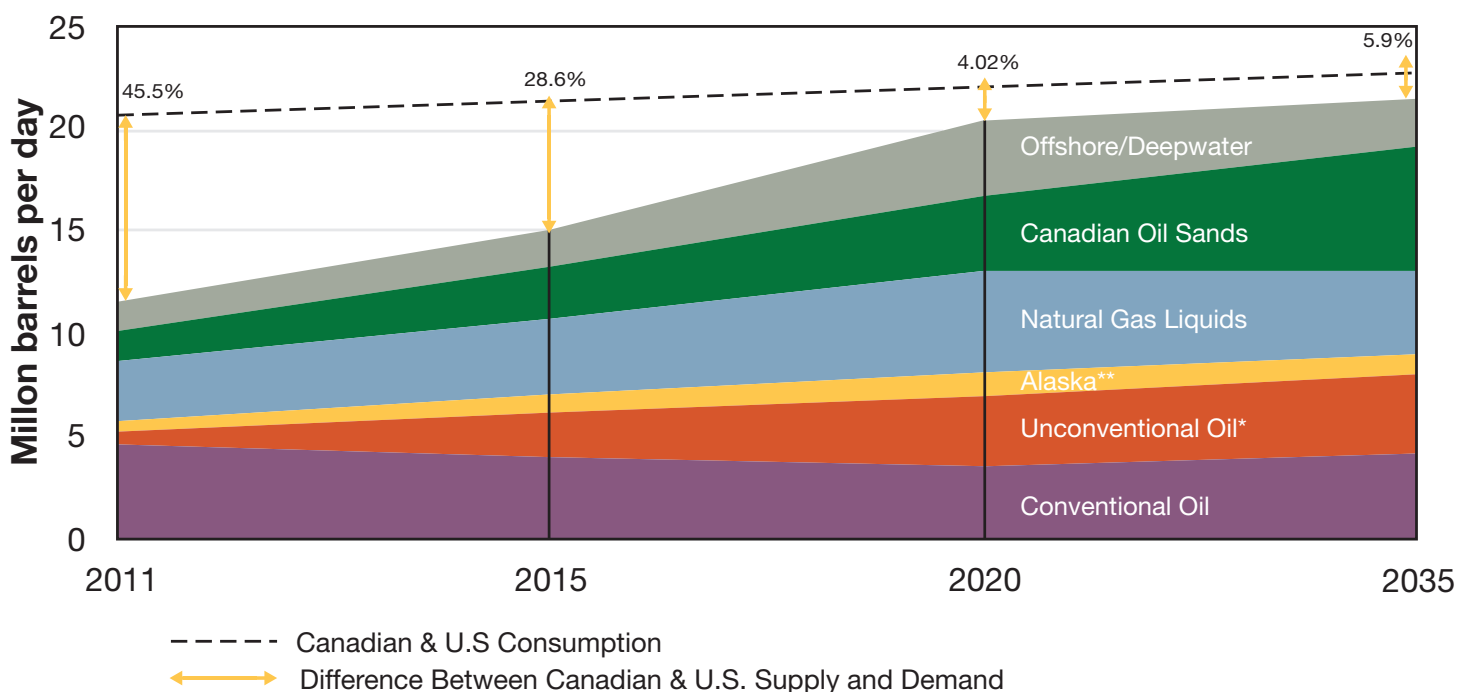
CEA believes it could potentially lead to North American energy self-sufficiency by 2020.

This is ***The New
Energy Future.***

Global demand for oil is rising, and the supply of oil has tightened to a point where a small shift in supply or demand has dramatic effect on oil prices. Despite flat oil consumption in the developed world, rapidly developing economies, including China and India, will see a surge in demand in the decades ahead. On the supply side, world output has been increasing, but this output is being outpaced by demand, causing crude oil prices to increase 93% between 2009 and the spring of 2012.¹

At this moment, the developing energy revolution is having a profound impact on energy consumers across North America. From the boom towns of North Dakota, to the dusty ranches of South Texas, to the mountains of Pennsylvania and West Virginia, and the bayous of Louisiana, substantial investment in the development of oil and natural gas has buoyed the economy, helping to support millions of jobs, generate billions of dollars in government revenue, and, most significantly, supply millions of consumers with affordable energy.

Roadmap to Energy Self-Sufficiency: Meeting North American Demand



* Does not include Canadian Oil Sands

** Does not include projected 700,000 barrels per day of new production from Chukchi & Beaufort Seas

Sources for Oil Consumption:

National Energy Board – Canada, "Canada's Energy Future: Energy Supply and Demand Projections to 2035." November 2011.
U.S. Energy Information Administration, "Annual Energy Outlook 2012." June 2012.

Sources for Oil Production:

Citi GPS: Global Perspectives and Solutions, "Energy 2020: North America, the New Middle East?" March 2012.

National Petroleum Council, "Prudent Development: Realizing the Potential of North America's Abundant Natural Gas and Oil Resources." September 2011.



Consumer Energy Alliance (CEA) believes that North America can achieve “energy self-sufficiency” by 2020.

Energy is the lifeblood of the economy. Energy fuels our cars, powers our homes and provides the building blocks for many consumer products. Without energy, we could not achieve the standard of living most Americans enjoy. And, if its presence expands further, the rewards for the economy, for the nation’s security, and for consumers will be tremendous.

Expanded energy production in the United States and Canada can create of over 1.4 million jobs and generate nearly \$803 billion in government revenues by 2030.² Consumers can expect to see stabilized, lower energy costs, leading to a reinvigorated manufacturing base and, in some cases, lower electricity and heating costs.

¹Index Mundi, “Crude Oil (petroleum); Dated Brent Monthly Price-US Dollars per Barrel,” August 2012.

² Woods Mackenzie, “U.S. Supply Forecast and Potential Jobs and Economic Impacts (2012-2030),” September 2011.



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Domestic energy production could grow our economy, increase energy security and help foster a sustainable economic recovery.

Indeed, the positive economic benefits are already being realized. Since the recession began, the oil and natural gas industry has grown by more than 86,000 jobs and accounted for 9% of new employment in 2011 alone. In contrast, the economy as a whole has lost five million jobs, according to numbers from the U.S. Bureau of Labor Statistics. If The New Energy Future is realized, this explosive job growth will continue, raising wages and improving our economic prospects for decades to come.

For these economic gains to be maximized, the United States will need to continue to advance its energy revolution as a means to increase production, spur economic growth and reduce imports from outside North America. This is no small feat. Consumer Energy Alliance (CEA) believes that North America can achieve “energy self-sufficiency” by 2020. This is the next “big thing.” It could grow our economy, increase energy security and help foster a sustainable economic recovery. Technology will play a leading role in boosting domestic supplies. But the real variable in it all is public policy.

North America appears to be on a trajectory to achieve energy self-sufficiency, but the wrong policies could derail this opportunity. The United States can choose to pursue public policies that can further open up domestic resources and increase North American energy self-reliance, thus growing jobs and supporting large sectors of the economy.

The path that policymakers and the general public choose will determine whether North America will truly benefit from The New Energy Future.



Alternatively, it can enact stringent regulations, restricted access, and punitive fiscal terms that can stifle energy development and competitiveness. With so much at stake, America needs to resist those self-destructive policies and implement a plan for long-term growth and self-sufficiency.

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Consumer Energy Alliance offers the following steps that, if taken, would put the United States in a position to take advantage of The New Energy Future. These steps would create jobs, encourage investment in our economy, decrease our reliance on overseas sources of energy and increase government revenues.

Policies that Can Lead to Energy Self-Sufficiency

1. Create and enact a coherent National Energy Policy that facilitates North American energy production, eliminates unnecessary regulatory and legal impediments, recognizes the strong regulatory framework already in place, and advances North American Energy Self-Sufficiency by 2020;
2. Promote energy efficiency and sustainable practices, and increase public education and awareness of the role that energy plays in our economy, our security and our daily lives.
3. Continue development of a diverse energy portfolio, including expanded investment in alternative and renewable energy sources and transmission infrastructure;
4. Ensure regulations are equitable, consistent, scientifically based, non-duplicative with existing federal or state statutes, and properly reflective of the concerns of Congress and the public for all energy sources, including nuclear and other unconventional sources;
5. Provide adequate funding for federal agencies that lease, permit and regulate energy exploration, and provide direct funding from oil and gas revenues back to federal land management agencies;
6. Review the existing regulatory processes for issuing permits, leases, exploration plans and environmental reviews for energy production on the Outer Continental Shelf as part of an overall program to reduce uncertainty and redundancy;
7. Maintain reasonable state and federal fees for energy production and a consistent tax structure;
8. Promote the development of energy infrastructure such as pipelines, to ensure the efficient movement of energy supplies across North America;
9. Recognize the importance of Canadian energy production to North American energy self-sufficiency and prevent the enactment of federal, regional, or state regulations that discriminate against it;
10. Recognize the importance of the Trans-Alaska Pipeline System and the role Alaskan energy resources will play to its viability, and to meeting future U.S. energy demand.



The New Energy Future is the next “big thing;” one that could potentially enable North America to become energy self-sufficient and by 2020.

The New Energy Future is clearly underway in the United States and Canada. It is the result of abundant domestic resources; the application and perfection of new and existing technology; a skilled and hard-working labor force; a regulatory and fiscal structure that has traditionally supported resource development, commerce and manufacturing; and the most capable energy industry in the world. The New Energy Future is the next “big thing;” one that could potentially enable North America to become energy self-sufficient and by 2020.

The benefits of The New Energy Future are tremendous and are already being seen. This new future is ours if we chose to embrace it. The primary impediment could be government policy.

We can choose prosperity, energy security, wealth creation, jobs, new sources of federal revenues and energy self-sufficiency. Or we can embark on policies that stifle growth and kill our recovery through regulations, lawsuits and punitive fiscal policies. America has an opportunity to do something big – really big.

The choice is ours.

The New Energy Future.



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