South Carolinians Benefit from Affordable Energy and Pipeline Infrastructure

Energy from clean, abundant and affordable natural gas has saved South Carolina’s families and businesses more than $6.4 billion between 2006 and 2016.¹ Transport of affordable oil resources into South Carolina saved drivers an additional $4.9 billion at the gasoline pump compared to 2008 prices.²

Soon after the first South Carolina-made BMW rolled off the assembly line in 1994, the state cemented its position as a leader in the automobile manufacturing industry.³ The state also plays a significant role in the nation’s aerospace sector. Companies throughout the state are responsible for assembling commercial wide-body aircraft and designing the latest jet engine technologies. All told, the aerospace sector is responsible for contributing $19 billion to South Carolina’s economy with over 22,000 residents employed statewide.⁴ These thriving businesses are set amongst the state’s historic landmarks and beautiful beaches that attract millions of tourists annually, accounting for $22.6 billion in revenue for 2018 alone.

What few realize is that each of these booming industries is dependent on reliable and affordable energy resources. Energy from oil and natural gas and the infrastructure to deliver it is necessary to power South Carolina’s manufacturing facilities and transport tourists and residents across the state.

Access to these reliable energy resources must not be taken for granted and South Carolinians should work with local and state governments to guarantee that families and businesses are able to count on domestic energy and the pipeline networks that deliver it to their homes and businesses.
Affordable Energy for South Carolina

Many American families struggle daily to pay for rising energy costs. Nearly one-third of American households struggled to pay their energy bills to light, heat and cool their homes, according to a 2015 survey by the U.S. Energy Information Administration. 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.”

On average, each resident of South Carolina spent $3,776 to meet their energy needs in 2017. With 15.4 percent of the state’s population living at or below the poverty line, this translates to more than 30 percent of their income going toward energy expenses. That’s more than 751,000 South Carolinians who live in poverty, enough people to fill Clemson’s Death Valley more than nine times.

And it’s not just lower income families that 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. CNBC recently reported that “69 percent of Americans had less than $1,000 in total savings and 34 percent had no savings at all.”

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

Oil and Natural Gas Powers South Carolina Growth

Although South Carolina has no significant onshore crude oil reserves or production, petroleum products play a significant role in home heating and transportation. Ninety percent of petroleum consumed in South Carolina is used for automotive transport and 1 in 20 homes statewide use petroleum products such as propane for heating during the winter. The state must receive its fuel supplies via two large interstate pipelines originating in the Gulf Coast region.
Like many other states, South Carolina has thousands of miles of underground transmission and distribution pipelines that move natural gas across the state to families, commercial operations and industries. This demand is expected to increase due to economic and population growth. South Carolina is one of the nation’s fastest-growing states, with nearly 90 percent of its new population consisting of residents moving in from other parts of the country. The state’s electric power generators have nearly tripled their natural gas use in the last 10 years and now account for almost half of South Carolina’s total natural gas consumption. Additionally, almost 25 percent of the state’s households rely on natural gas for home heating.

Energizing South Carolina’s Economy

Nationwide, advances in horizontal drilling and hydraulic fracturing have increased production of natural gas and enabled South Carolina consumers to save more than $6.4 billion between 2006 and 2016. Residential users alone saved more than $1.6 billion. Commercial and industrial users saved more than $4.7 billion. Safe interstate transport of vital petroleum products such as motor gasoline has enabled South Carolina drivers to save even more at the gas pump. When compared with 2008 fuel prices, families and businesses saved $4.9 billion in just one year of filling up their cars and trucks.

In 2015, the oil and natural gas industry contributed almost 67,600 jobs and more than $2.8 billion in wages to the Palmetto State, according to a PricewaterhouseCoopers study. These jobs represent the truck drivers, engineers, construction workers and contractors who make use of American energy as they do their work. Their wages invigorate South Carolina’s economy via real estate or vehicle purchases, local small businesses and hospitality destinations such as restaurants and hotels. In total, oil and gas provides more than $5.2 billion to South Carolina’s economy, including employee compensation, proprietors’ income, income to capital owners from property and indirect business taxes.

South Carolina’s Energy Future

South Carolina’s energy infrastructure is under attack by anti-development activists, who continue working to eliminate the

**Nearly quarter of South Carolina’s households depend on natural gas for home heating, and electric power generation accounts for almost 50 percent of the state’s natural gas consumption.**
production and transportation of safe, affordable sources of energy. These anti-development efforts achieve the opposite of their stated intent, by threatening our environmental goals, and failing to provide solutions and sensible alternatives. 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})^{18}

Additionally, since 2005 the U.S. power sector has reduced carbon dioxide (CO2) emissions by 28 percent.\textsuperscript{19} South Carolina has observed similar trends in improving air quality and between 1990 and 2016 has reduced NOx and SOX emissions by over 244,000 tons.\textsuperscript{20} In December 2017, the oil and gas industry announced The Environmental Partnership to further reduce emissions of methane and volatile organic compounds.\textsuperscript{21} 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 serves, as they are critical for moving energy throughout South Carolina.

With the savings that have occurred in recent years, South Carolina’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.
Calculations developed by Orion Strategies. $3.43 billion saved by industrial users, $1.64 billion saved by residential users, and $1.32 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 South Carolina, also sourced by EIA. The Consumer Price Index 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 it was the last year for which residential and industrial data were released.


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