



ALABAMA ENERGY SAVINGS

- As the nation grapples with the effects of COVID-19, we need to seize every opportunity to drive economic recovery.
- Expanded exploration and production access in the Gulf offers one of the fastest routes to tens of thousands of jobs and billions in GDP for the region's states.
- It is imperative that the United States maintains its energy independence and dominance to protect our country from outside influences, such as OPEC+, and establish secure supply chains.
- National security – it is important to have statutory protections in place for military training in the Gulf while supporting both energy security and national security.
- The full Gulf of Mexico needs to be included and involved in any effort in the Eastern Gulf of Mexico. This is a Gulf issue that needs a Gulf solution.

The need for affordable, reliable energy is more important than ever as Alabama recovers from COVID-19. Small businesses and manufacturers across the state are reeling from the economic downturn, and consumers are more conscious about how they spend their money. Cultivating industries that create jobs is doubly important now for the state, and especially for those Alabamians living in poverty and [the more than 283,000 Alabamians now suffering from unemployment](#).

Traditionally, the energy industry has been a job creator and employs a skilled, highly paid workforce. In 2019, the offshore oil and gas industry supported [roughly 28,000 jobs](#). The overall energy industry brought Alabama [124,000 jobs](#) and more than \$13.2 billion in economic impact, according to a 2016 Energy Institute of Alabama study.

The energy industry is a job creator and will be a key driver of the recovery in Alabama and the U.S., as it has been in every previous modern economic revival. As the COVID-19 pandemic has demonstrated, a secure American-based supply chain is essential, and energy is the backbone of any supply chain. Alabamians stand to benefit when we strengthen our energy industry and our supply chains.

Moreover, energy will keep contributing to a lower cost of living and generate savings for Alabama's families, farmers and small businesses.

Increased production of abundant, affordable natural gas saved Alabama consumers almost \$15.3 billion from 2008-2018. Residential users alone saved over \$1.5 billion.* Based on current population estimates, that equals [\\$317 per citizen](#). Alabama industries, including automotive assembly plants and metals manufacturing facilities, saved more than \$12.5 billion.ⁱ These savings bring relief to Alabama families and help keep the state's industries competitive.

*Calculations developed by Orion Strategies. \$12.529 billion saved by industrial users, \$1.555 billion saved by residential users, and \$1.212 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, via the U.S. Energy Information Administration (EIA). This EIA price was then applied to the total MMcf consumed in Alabama, 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 2018 dollars. 2018 is the most recent year for which residential and industrial data were released.