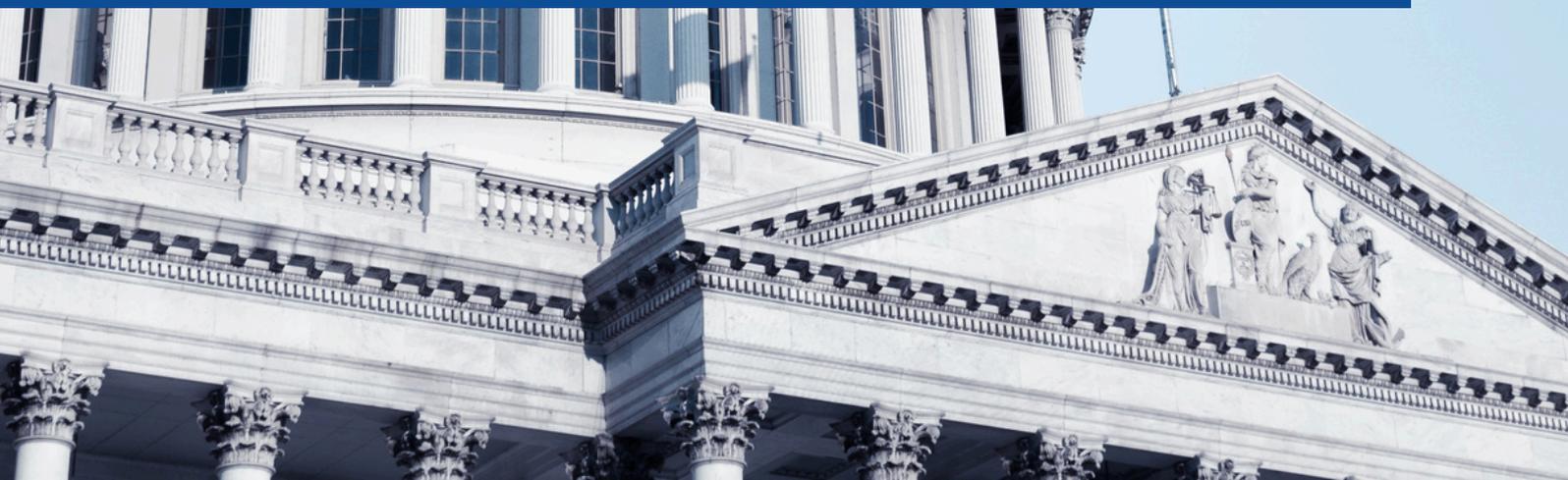




CONSUMER **ENERGY** ALLIANCE



Consumer Energy Alliance's Congressional Priorities for the First Session of the 119th Congress





WHO IS CONSUMER ENERGY ALLIANCE?

Founded in 2006, Consumer Energy Alliance (CEA) is the trusted voice advocating for affordable, reliable, and cleaner energy solutions that benefit all Americans. Representing families, farmers, small businesses, distributors, producers, and manufacturers, CEA champions sensible, balanced policies that support economic growth and environmental sustainability, ensuring families and businesses are a vocal part of the nation's energy dialogue. Every day, we work to inspire practical, responsible solutions that meet America's energy needs while protecting the environment for generations to come.

Since our founding, CEA and its members have strongly supported actions that thoughtfully advance our nation towards a cleaner, more environmentally responsible energy future that considers the importance of every energy resource to achieve our goals. In recent years, the utilization of alternative resource types for the continued support of American energy independence has required U.S. lawmakers and regulators to implement their safe and efficient introduction into our energy mix through policy mandates.

Unfortunately, many of these mandates have limited energy options or favored one form of energy over another – often when that neglected energy type is more affordable and reliable – to the ultimate detriment of American consumers.

Over the past four years, American energy consumers have suffered at the hands of these misguided policies, many of which exacerbated inflationary hardships for families and small businesses. In 2022, the average share of gasoline spending as a percentage of total credit and debit card spending in lower-income households rose to 9.5% - far higher than the average household spending of 7.8%. In 2025, still, 73% of Americans reported that they are saving less than needed to cover unexpected increases due to inflation and rising energy costs. For example, policies that thwarted critical infrastructure development – such as natural gas pipelines and transmission lines – have caused many regions of the U.S. to see dramatically increased energy bills; if a family is using 850 kWh of electricity per month – which is the U.S. average – a one-cent (\$0.01) increase per kWh would cost them an additional \$102 per year.

CEA'S CONGRESSIONAL PRIORITIES

CEA's guidance and recommendations in this report are intended to aid Congress in achieving a successful legislative session that considers consumer needs while also supporting state-of-the-art technologies and modernizing regulatory structures that improve the affordability, reliability, and sustainability of all energy resources.

OFFSHORE OIL AND GAS



Over the past four years, oil and gas leasing and production in the Gulf of America and Alaska have been threatened with harmful regulations and excessive litigation causing delays in leasing and regulatory uncertainty for companies that invest in American energy. The Gulf of America is the backbone of American energy supplying 14% of our nation's crude oil, equivalent to 2 million barrels a day. The oil from the Gulf of America is enough to power 128.5 million households in the U.S. for more than two years, based on data sourced from the Energy Information Administration (EIA).

Congress must mandate annual lease sales in the Gulf of America and Alaska with market-supported lease terms and stipulations that encourage investment and provide for regulatory certainty. Even with the certainty of lease sales, there are other legal and regulatory threats in the Gulf of America that could have massive impacts on our nation's ability to produce oil and gas.

CEA urges Congress to ensure that production is not impeded by overregulation and legal uncertainty, such as the imposition of large acreage moratoriums and burdensome stipulations accounting for critical habitat designations that are not based on sound science.

Offshore leasing and production in the Gulf of America also contributes to critical conservation efforts. The Land and Water Conservation Fund (LWCF), Great American Outdoors Act (GAOA), and the Gulf of Mexico Energy Security Act (GOMESA) source funds from offshore oil and gas production and support conservation and hurricane protection projects across the Gulf Coast. However, the funds for GOMESA are currently limited to a \$370 million cap split amongst four states. CEA supports removing the cap on this funding to allow for more dollars to be used for Gulf Coast state conservation efforts. Currently, Alaska does not have a revenue sharing program. CEA encourages the establishment of an Alaska offshore revenue sharing program so it can benefit from the same funding support.

RELIABLE BASELOAD POWER: NATURAL GAS

The Energy Information Administration has forecasted that electricity demand will grow at a rate of 2% in 2025 and 2026, the first time in almost two decades that electricity demand has grown for three consecutive years. Bolstered by the rise of Artificial Intelligence (AI) and the need for data centers to support the AI boom, tech companies like Meta, Amazon, Google, and Microsoft are relying on natural gas to power the new age of this technology and the inherent, vast data processing and storage needs. Some even hope to build their own personal natural gas plants to support these hyperscalers.

The buildout of natural gas processing plants and transportation infrastructure such as pipelines will be critical to supporting our grid while these data centers are in operation. Without adequate infrastructure, we risk overloading the grid and sacrificing affordable and reliable baseload power.

For the first time ever in 2023, the U.S. met more than half of its electricity demand with natural gas. A more sustainable and environmentally friendly option than other baseload power suppliers, natural gas will continue to dominate our energy mix, necessitating increased infrastructure buildout and favorable policies that consider reliability and affordability for consuming families, small businesses, and other entities that rely on this energy resource to power their livelihoods.

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RELIABLE BASELOAD POWER: NUCLEAR

Nuclear power is a necessity for meeting growing energy demand in the U.S. and has the highest capacity factor of any other electric generating resource, producing power more than 92% of the time. Not only is nuclear power reliable, it is environmentally friendly, emitting almost no carbon dioxide or other air pollutants, according to the Department of Energy.

The anticipated increase in nuclear power generation is expected to drive enhanced nuclear efficiency, fueled by activity and innovation in the industry.

As seen in the oil and gas industry, continued advancements in power generation will likely lead to improved performance, reduced costs, and enhanced productivity.

To help offset expected costs with large-scale nuclear energy development, the 45U tax credit provided by the Inflation Reduction Act (IRA) needs to be protected and the establishment of efficient supply chains associated with nuclear energy needs to be further funded. Regulatory support for the Nuclear Regulatory Commission are necessary to modernize permitting processes, reduce costs, and shorten timelines for future projects.

INFRASTRUCTURE: PIPELINES

The transport of critical energy supplies will increase reliability and affordability; however, several regions of the United States are currently inaccessible due to pipeline constraints and regulations that stymie construction projects. Lack of adequate energy transportation infrastructure limits the oil and gas supply to regions of the U.S. that are facing colder winters and rely on gas stoves to cook and heating oil to warm themselves. Increased pipeline access and capacity also ensures that all products derived from oil—gasoline and diesel, medical supplies and pharmaceuticals, plastics, and more—are delivered affordably and efficiently. Congress can positively impact pipeline development by expediting timelines for project approvals through streamlining coordination between effected agencies, shortening litigation timelines challenging federal authorizations for projects without harming the litigant’s right to pursue challenges, and prioritizing the buildout of pipeline infrastructure in regions where consumers are negatively impacted by higher-than-average electricity and heating bills.

Additionally, Congress should prioritize legislation that enables the buildout of LNG, hydrogen and carbon dioxide pipelines to support these industries that are poised for rapid future growth.



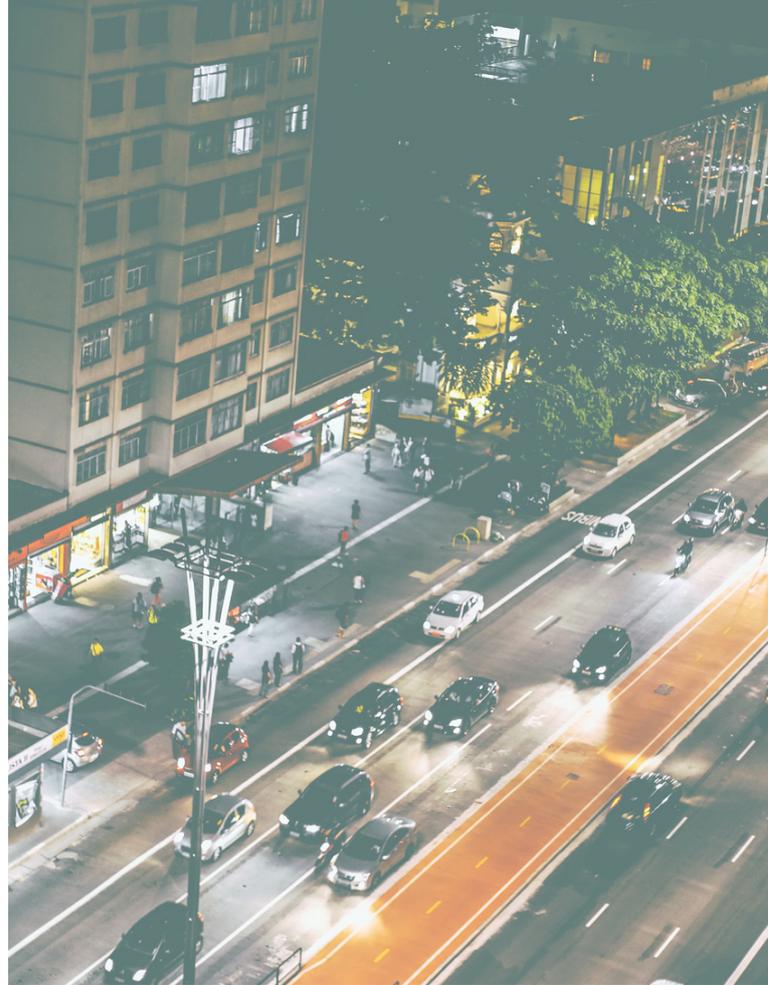
INFRASTRUCTURE: TRANSMISSION

Residential and commercial power demand, will continue to increase in 2025 due to continued population growth, the reshoring of American manufacturing, and the growth in industries such as data centers and cryptocurrency. Additionally, incorporating more alternative energy capacity such as solar and wind generation will require more transmission to be built for the safe and efficient delivery of power to American consumers. Congress should focus their priorities on bolstering interregional transmission development, and set specific goals for development with adequate timelines to ensure future electric reliability. Permitting reform should focus on enhanced coordination amongst federal agencies, including FERC, NERC, DOE and state regulators.

To ensure that the cost of electric transmission investments is properly allocated, regulators should consistently employ the “beneficiary pays” principle to insulate consumers in one state from paying for the energy policies of another state. To that end, the development of electric transmission projects should provide tangible benefits to electricity consumers—whether by reducing congestion costs, improving reliability, or by meeting increased electricity demand. When considering how to best meet growing electricity demand, the determining factors should be how to do so in the most affordable and reliable manner possible—whether that be from transmission investments, generation additions, or other infrastructure like a natural gas pipeline.

VEHICLES

While electric vehicle (EV) innovation has grown in the United States, mandates for phasing out internal combustion engine vehicles are outpacing the readiness of the electric grid, charging infrastructure, and supply of critical minerals necessary for building out more efficient EV batteries and charging infrastructure. Furthermore, consumer readiness is being outpaced, especially for those on fixed and low incomes who may not be able to afford EVs despite mandates to phase out gas-powered cars. Electric vehicle mandates could unintentionally exacerbate economic disparities throughout the United States. Lawmakers and regulators must address the social and economic impacts related to mandating electric vehicle production quotas and large-scale adoption before taking on such mandates.



LNG

As the U.S. continues to be a leading producer of oil and natural gas. We have the opportunity to also provide liquefied natural gas (LNG) to countries and allies across the world.

There are still many economies that rely on high-emitting energy sources contributing to global carbon emissions output. Furthermore, some countries rely on increasingly adversarial nations for their oil and natural gas, exposing themselves to global tensions and supply insecurity if these nations decide to restrict output or sever geopolitical ties.

The U.S. is the leading producer of natural gas that can be shipped across the world to help displace higher-emitting energy sources and make countries less reliant on adversaries for energy. Congress should act to ensure that the U.S. can continue to export LNG and streamline the permitting process to avoid excessive delays.

CARBON CAPTURE & STORAGE (CCS)

Carbon capture retrofits at large industrial facilities, like power plants, steel plants, chemical facilities, and ethanol plants, are key to reducing carbon dioxide emissions and enabling the continued production of critical materials and cleaner energy supplies. At the beginning of 2025, 163 applications for Class VI carbon storage wells are under review before the EPA, and only 8 final permit decisions have been issued for these wells. Currently, EPA approvals of Class VI permits can take anywhere from 3-6 years – far longer than its 2-year anticipated timeline. Increased funding for EPA carbon capture and storage programs will expedite the permitting review process and allow EPA to quickly approve state applications for Class VI primacy.

Technologies like CCS will allow for coal and natural gas power plants to remain open,

despite many facing early retirements due to both federal and state emissions limitations. In the event that burdensome regulations cause power plants to close without adequate stop-gaps to account for the power production lost, consumers will inevitably face power supply constraints, leading to higher electricity prices and more frequent brown and black outs.

The need for additional carbon capture retrofits at coal and natural gas fired-power plants will become more apparent as electricity demand increases in coming years. Establishing funding for additional studies that ensure the successful implementation of carbon capture retrofits at these facilities will allow for increased power supply with decreased carbon emissions, a win-win for American energy consumers.

RENEWABLES

Renewable energy accounts for over 20% of total electricity generation in the U.S., delivering domestic energy sourced from abundant, naturally replenished resources. Wind and solar energy are the fastest growing renewable resources with technological advancements that are significantly reducing costs. To further enhance efficiency and domestic energy production, the U.S. should protect and further expand programs that incentivize research and development to promote market-based efficiencies.

While renewable projects are being successfully incentivized, there are interconnection issues that need to be addressed to get these projects powering the electric grid. There are approximately 2,600 gigawatts of proposed projects, a majority of them being renewable projects, that are waiting to plug into the grid.

For reference, one gigawatt can power 750,000 homes. Streamlining the permitting process is important for getting these projects plugged into the grid, increasing domestic energy production and reducing costs.



HYDROGEN

Hydrogen is not a stand-alone energy source, but it can be used for power generation and storage when attached to another energy source as a feedstock. While hydrogen energy only makes up roughly 1% of U.S. primary energy consumption, there is potential for significant growth. Gray hydrogen is the most common source of hydrogen production in the U.S. and is sourced from natural gas. Blue hydrogen is similar to gray hydrogen but paired with CCS technology. Green hydrogen is produced using renewable energy sources.

The final rules for the Section 45V Clean Hydrogen Production Tax Credit, released in

December 2024, clarify the criteria for receiving the credit and incorporate feedback from stakeholders. Environmental standards have been clarified to include natural gas combined with CCS, renewable natural gas, and coal seam methane. Nuclear power is now also an eligible source of hydrogen production, enabling it to qualify for the 45V Credit. These incentives are necessary for increasing efficiency and lowering prices for the hydrogen industry.





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