The United States is truly experiencing a bonanza of natural gas production by way of shale gas. This is a game changer. Shale gas development is not only dramatically altering our national energy picture, but it is also changing the lives of people and our communities. Some of our most economically depressed regions are now vibrant, and our citizens who thought their economic prospects doomed them to poverty forever, have a new lease on life.

One Chief Executive Officer described this phenomenon as the “Gift of Gas.” It was only 30 years ago when we repealed the Fuel Use Act, which was passed because we were certain we were running out of natural gas. And it was less than 10 years ago when we had plans to import up to 20% of our natural gas utilization and we had several dozen liquefied natural gas import terminals planned. The United States went from a 30-year supply of natural gas, to a 60-year supply, then to a 100-year supply, and some say a 200-year supply.

Natural gas may replace coal as the prime fuel for power generation. So far this year, coal has dropped to providing 39% of power generation, down from 50% just a few years ago. Some of this is EPA regulations, but some also is the price of gas.

Our nuclear renaissance has been deterred, not because of Fukishima, but because natural gas sets the price in competitive power markets.

And we are seriously looking at natural gas as a transportation fuel. Urban bus fleets, delivery vehicles and long distance trucking are all considering natural gas to supplement diesel as a transportation fuel. The chemical business appears to be returning, as is other energy intensive manufacturing.

And we expect to export LNG. About nine export terminals are being considered. The Federal Energy Regulatory Commission permits onshore LNG facilities and the U.S. Coast Guard offshore facilities. In addition, a permit from the U.S. Department of Energy is required and USDOE must reach a finding that a permit application is in the national interest. After today’s election, USDOE is expected to soon release a report discussing how LNG exports will or will not be in the national interest. This report should clarify what permit applicants can expect.

There is a difference between exporting LNG to a nation that has a free-trade agreement with the United States. By treaty, these applications are expected to be almost automatically approved. Exports to countries without a free-trade agreement can expect more scrutiny.

I think that the creation of jobs in a weak economy will overcome concerns about impacts on domestic prices and environmental concerns.
Our shale gas revolution is due to the combination of horizontal drilling and hydraulic fracturing. It can be done safely and tens of thousands of successful wells prove this. Operators can do it sloppily and state-level regulation is important to ensure environmental compliance and to assure the public that water supplies are protected and other environmental impacts mitigated.

Other countries may not share the U.S. experience, but in the United States, shale gas development is changing our energy landscape, giving poor communities new life and giving thousands and thousands of our cities the opportunity for improving their economic circumstances. It truly is a game changer.