



April 5, 2012



NW Natural



The Honorable Dianne Feinstein
Chairman
Energy and Water Subcommittee
Senate Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Lamar Alexander
Ranking Member
Energy and Water Subcommittee
Senate Committee on Appropriations
United States Senate
Washington, DC 20510



Dear Chairman Feinstein and Ranking Member Alexander:

We are writing to request your support for increased research and development funding at the United States Department of Energy (USDOE) for natural gas research and development. We understand there will be tighter federal budgets moving forward, however, considering the growing use of natural gas in our energy economy, USDOE can play a substantial role in supporting research that will ensure natural gas is used, wisely, safely and efficiently. We are requesting that whatever budget levels are approved by Congress, a portion of that funding be directed towards R&D for natural gas technology development and improvement.

At a time when there is growing instability in oil-producing regions such as North Africa and the Middle East, which has resulted in rising—oil prices that threaten to impede our economic recovery, we believe that USDOE supported natural gas research and development can expand opportunities for domestically produced fuels while simultaneously improving the efficiency, emissions and performance of natural gas related technologies.

To that end, we request a modest natural gas efficiency investment of \$12 million in the Building Technologies Program, \$30 million for natural gas vehicles in the Transportation Program; within the Advanced Manufacturing Program Office (formerly Industrial Technology Program) \$30 million to reduce the energy intensity and improve the efficiencies of American industrial manufacturing processes and \$25 million for Combined Heat and Power (CHP) technology development.

The natural gas industry, manufacturers and research and development (R&D) partners will identify and capture financial support for this effort with 20 to 40 percent co-funding, depending on the type of R&D performed. Attached, please find the areas of research emphasis proposed for Buildings, The Advanced Manufacturing Office and Vehicle Technologies.

Currently, USDOE spends hundreds of millions of dollars annually on energy efficiency research, yet very little of this is directed towards energy efficient natural gas products. In particular, over the past several years there has been limited federal investment in natural gas technologies for residential and commercial

buildings as well as combined heat and power and natural gas vehicles. Considering the value of natural gas to reduce emissions and produce cost savings, it is time to support a reasonable focus on natural gas research and development.

We believe it is time for EERE, whose mandate is furthering America's energy efficiency; to re-engage in developing natural gas fueled equipment and products. Developing new efficient natural gas technologies is one way to ensure economic value for many of our nation's large and small energy consumers.

Such R&D funding support should focus on highly efficient, superior performance technologies in which natural gas is used in the residential, commercial, industrial and transportation markets. Using natural gas in traditional end-use applications such as home heating, water heating and cooking, as well as increasingly in highly promising new applications such as natural gas vehicles and distributed—on-site—power generation, and ensuring that our manufacturing base is becoming more efficient and competitive can save consumers and businesses millions of dollars, significantly reduce emissions, and, given natural gas's domestic abundance, enhance our nation's energy security.

We urge you, as leaders of the Energy and Water Appropriations Subcommittee on Appropriations to ensure that the Department of Energy engages in research, development and demonstration of natural gas related technologies. These critical programs can create jobs, help the environment, and lead our nation to true energy independence.

Thank you in advance for your time and attention to this request.

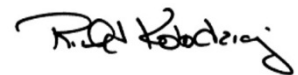
Sincerely,



Dave McCurdy
President & CEO
American Gas Association



David Carroll
President & CEO
Gas Technology Institute



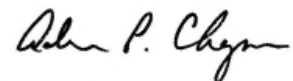
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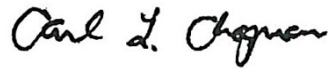
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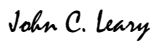
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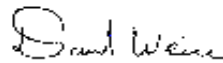
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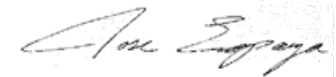
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