



PEP's ENERGY POLICY

Increasingly, coastal Alabama businesses and citizens are concerned about energy availability and price. Specifically, wholesale natural gas prices are at record high levels. The extremely tight supply/demand situation and trading volatility have produced record high gas prices. These high energy costs are harming the global competitiveness of the central Gulf Coast as a place to do business, and are increasing the cost of living in our area.

Natural gas production from mature areas is declining and is unable to keep up with demand. New areas must be explored to produce more natural gas in an environmentally responsible manner. Conservation and energy efficiency are important and can help, but conservation will not be enough to reduce prices. Increased gas supplies are needed.

To address this situation, *Partners for Environmental Progress* supports the formulation of public policy at all levels of government that will:

1. Increase the supply of energy in a manner that is safe and protective of the environment.
 - a. Encourage the development of domestic natural gas deposits offshore and onshore where development is currently prohibited. Such development should responsibly consider environmental and safety issues.
 - b. Permit the construction of terminals for the importation of Liquefied Natural Gas (LNG) plants. Such development should responsibly consider environmental and safety issues.
 - c. Provide incentives for the development of a diverse mix of energy sources, including biomass, nuclear power, and other renewable sources of energy.
 - d. Provide incentives for energy conservation and additional capital to implement the improvements.
 - e. Increase funding of basic and applied research to improve understanding of the potential environmental impacts of the proposed developments.
2. Improve the regulatory climate. The permitting and enforcement process should exhibit, as a minimum, the following characteristics:
 - a. **Fact-Based:** The process should be based on sound scientific research concerning probable impacts of each development.
 - b. **Comprehensive:** The process should consider all aspects of any proposed development, especially safety and environmental impacts.
 - c. **Organized:** The lead agency responsible for the permitting process should be clearly identified, and should be accountable for inclusion of input from all related agencies at all levels of government. The process should seek the involvement of the local community on a broad basis as early as possible.
 - d. **Enforceable:** Each permit should be clear in its requirements for operation, for reporting, and for penalties.