

# Direct Use of Natural Gas: A State's Perspective



Indiana Office of Energy Development

NASEO Energy Policy Outlook Conference

February 2016

# Natural Advantages

- Applications for Natural Gas are based on three advantages
  - ✓ Precise energy value
  - ✓ Availability (both supply + delivery)
  - ✓ Price



# Comparing Residential Water Heater Efficiency\*



Source: American Gas Association

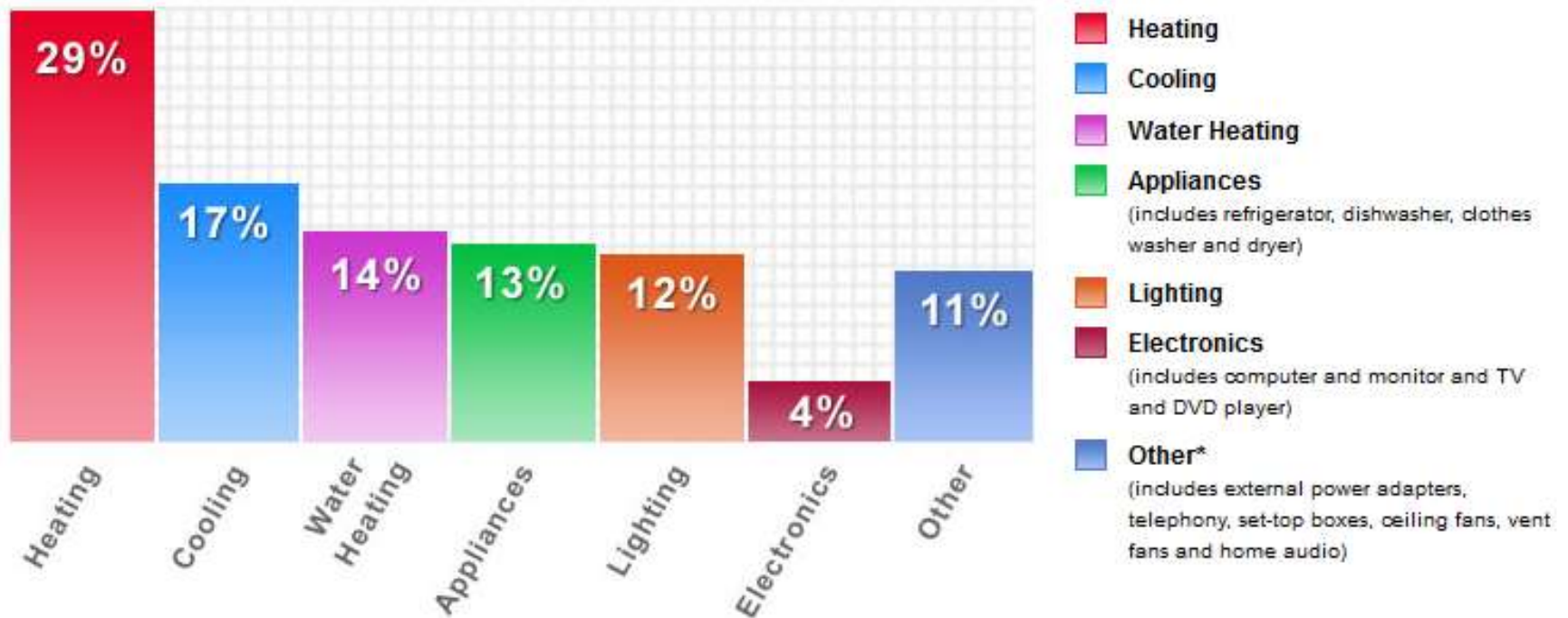
# Why Cost Matters

- 38% of American workers earn less than \$20,000  
(Source: Social Security Administration)
  - Federal Poverty Level – \$24,300 for family of four
- Only 62.7% of noninstitutional adults are employed  
(Source: Bureau of Labor Statistics)
  - 101.8 million adults do not have a job (Jan. 2016)
- Energy is the #2 cost for the average household  
(Transportation + Household)



# Where The Money Goes

Average annual energy bill for typical single home



Source: Lawrence Berkeley National Lab via Energy Star



# Household Specific Applications

- Natural Gas excels at creating heat



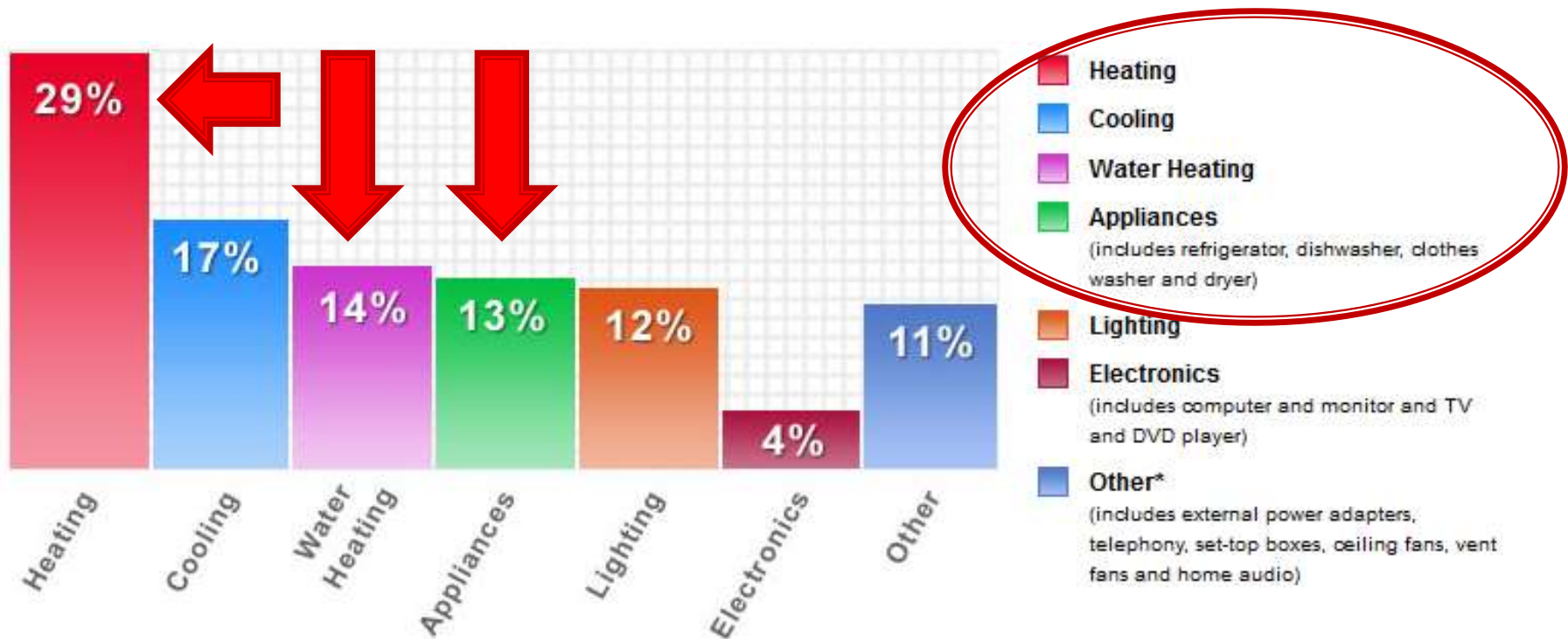
# Household Specific Applications

- Natural Gas excels at creating heat
  - Space Heating
  - Water Heating
  - Cooking
  - Clothes Drying



# Where The Money Goes

Average annual energy bill for typical single home



Source: Lawrence Berkeley National Lab via Energy Star





# Commercial Applications

- Same general applications as residential
- Large users include:
  - Restaurants
  - Dry Cleaners
  - Hotels
  - Hospitals



# CPP Compliance

- Large potential growth in electric demand
  - Information Technology and personal electronics
  - Reshoring of U.S. Manufacturing
  - Electrification of the US Transportation Sector



# CPP Compliance

- The Transportation sector consumes 31% of all US Energy production
  - Residential & Commercial energy use each ~17%
- 93% of Transportation energy from Petroleum
- Growth in electric demand can make compliance more difficult



# Natural Gas Compliments Electricity

- Natural Gas excels at providing heat
  - More efficient than resistance heating (electric)
- Infrastructure already in place for large number of consumers
- Mitigates some demand on electricity production



# Summary

- Benefits Consumers
- Extremely efficient source of heat
- Compliments Electrification and CPP plans

