



Methane gas prices have doubled over the past year, causing a ripple effect of rising coal and oil prices, and spurring a spiral of attention to a so-called “energy price shock.” Yet the U.S. gas industry has held production flat while simultaneously pushing to export even more LNG abroad. The transition to low-cost, reliable renewable energy is the solution to increasingly unaffordable and always volatile fossil fuels.

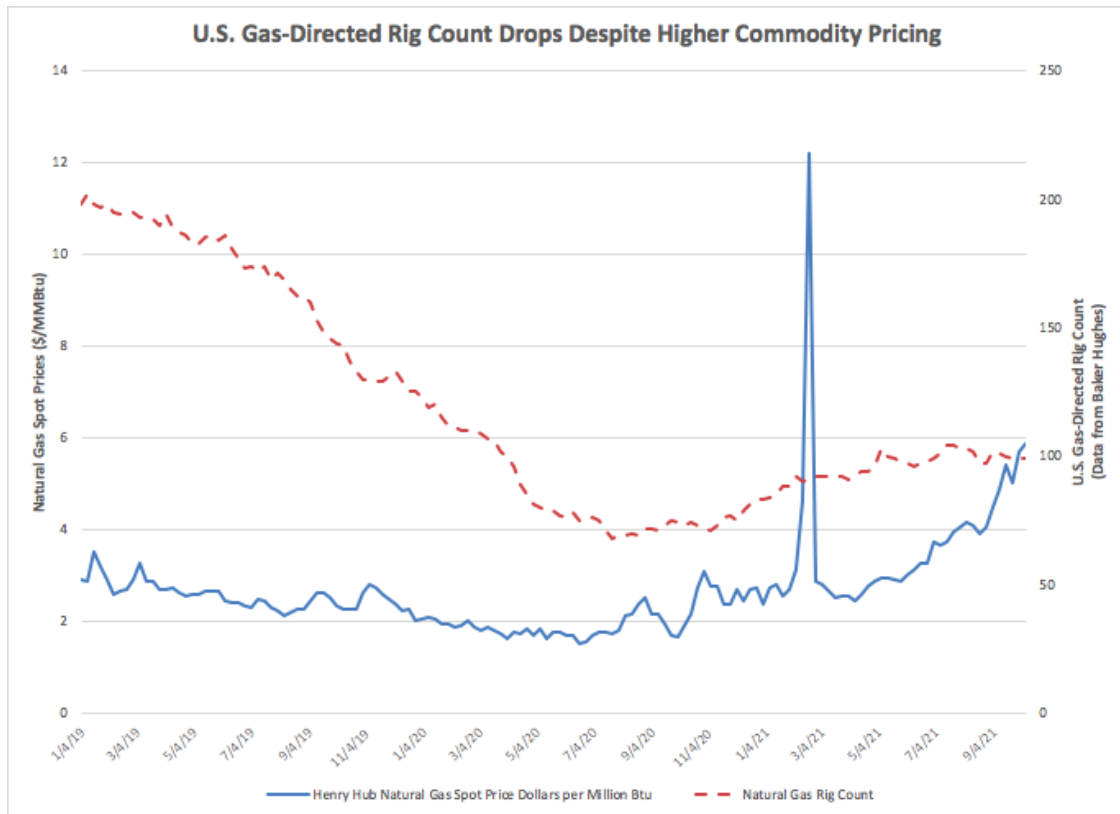
### Key points:

- Gas is expensive. It always has been, but Wall Street is no longer willing to subsidize unprofitable expansion plans.
- Blame fossil fuels, not renewables, for the failures of the fossil fuel industry.
- The gas industry’s push to export LNG threatens has sent domestic prices higher.
- Higher gas prices put families and businesses at risk.
- Renewable energy is not only cheaper, it does not suffer from wild price fluctuations like gas.
- American families can save money by replacing gas appliances with cleaner all-electric alternatives.
- To protect American families and businesses from high gas prices, the Build Back Better Act would rapidly expand renewable energy and provide consumers with financial incentives to replace gas appliances.
- New gas investments only double down on what got us into this mess in the first place.

### Talking points and background:

- **Gas is expensive. It always has been, but Wall Street is no longer willing to subsidize unprofitable expansion plans.**
  - Gas prices have [doubled over the past year](#), as producers have limited supply to support a higher price environment.
  - After a [decade of losing money](#), U.S. drillers are using profits from higher gas prices to [pay back debt](#) and reward shareholders — as [demanded by investors](#) — instead of spending to expand production.
  - Data shows gas [producers are not bringing back drilling rigs despite the run-up in pricing](#):
  - In Appalachia, [permits for new shale wells in Pennsylvania dropped 28% in the last month](#), while across the entire U.S. oil and gas permitting activities have regained some ground from 2020 but [remain well below pre-pandemic levels](#) as producers continue to conserve cash.

- The Energy Information Administration (EIA) [expects prices to remain elevated into 2022](#), which will have devastating effects on consumers, especially those who can least afford it.



- **Blame fossil fuels, not renewables, for the failures of the fossil fuel industry**
  - Fossil fuel boosters spent the past decade [trying to hype gas](#) as abundant and cheap, but today's high prices expose the reality that the [sector is expensive, volatile, and risky](#) while prices for renewable energy continue to steadily decrease.
  - Of course opponents of clean energy, like [OPEC](#), are trying to shift blame and derail the energy transition.
    - Russia has also been [accused of purposely withholding gas from Europe](#) to advance its own geopolitical interests and justify completion of the controversial Nord Stream 2 pipeline.
    - The ability of global bad-actors like Vladimir Putin and OPEC+ to manipulate fossil fuel markets is just another cost of not transitioning quicker to a clean energy economy.
  - The International Energy Agency found the [transition to renewable energy is not to blame for skyrocketing gas prices](#) -- instead the run-up in pricing was driven by a combination of a strong recovery in demand, tighter-than-expected supply, and several weather-related factors like a particularly cold last winter in Europe and ongoing severe drought in South America.

- IEA Executive Director Fatih Birol: “Well-managed clean energy transitions are a solution to the issues that we are seeing in gas and electricity markets today – not the cause of them.”
- **The gas industry’s push to export LNG has sent domestic prices higher**
  - The start-up of U.S. LNG exports in 2015 has finally exposed American consumers to the international gas market — where the price of gas is 4-5 times as high as the price in the U.S. This year U.S. LNG exports are on pace to set another new record, directly cutting into domestic supply, lowering inventories and pushing up domestic prices, [according](#) to the U.S. Energy Information Information (EIA).
  - Linking the U.S. gas market to the global gas market has exposed American families and businesses to [increasing price volatility](#) and higher prices.
    - A group of industrial manufacturers recently asked the U.S. Department of Energy to [restrict gas exports and halt new LNG projects](#) to protect against higher gas prices in the United States.
    - Clark Williams-Derry, an energy analyst with the Institute for Energy Economics and Financial Analysis (IEEFA), put it succinctly: [“We’re exporting LNG. We’re importing volatility.”](#)
  - And the U.S.’s exposure to international gas prices is only going to get worse as more capacity comes online. A new unit at Cheniere’s Sabine Pass terminal and Venture Global’s Calcasieu Pass facility are [both planning to start operations at the start of 2022](#), while [several new long-term supply agreements with Chinese buyers](#) are increasing confidence that other planned export facilities will be underway soon.
- **Higher gas prices put families and businesses at risk**
  - Almost half of households in the U.S. heat their homes with gas, and the EIA forecasts their [bills will be 30% higher this year](#) (and 54% higher for households using propane and 43% more for heating oil).
  - With gas prices expected to rise even higher as winter demand grows, many Americans will have to [choose between heat, food or medication](#). According to [Census survey data](#), almost 30% of families found themselves in this situation last year — before the spike in gas prices and when [utility shutoff moratoria](#) were still in place.
    - [Black Americans and other minorities face much greater risk of utility disconnections.](#)
  - High methane gas prices are also causing businesses around the world to [curtail manufacturing](#) and could reduce food production, with higher costs passed on to consumers.
  - Increased gas costs add further insult to injury for the Midwest and Great Plains customers already saddled with [spiking gas utility bills](#) resulting from February’s extreme cold and blackouts in Texas.

- If you think [gas companies](#) will put [American families](#) ahead of making a buck, we've got a bridge (fuel) to sell you.
- **Renewable energy is not only cheaper, it [does not suffer from wild price fluctuations](#) like gas**
  - Renewable energy plus battery storage is [increasingly cheaper than gas](#), and consumers can count on low costs over time because energy from the wind and sun is free — no purchased fuel is necessary.
  - The United States could reliably deliver 90% clean electricity nationwide by 2035, and [80% by 2030](#), at no additional cost to consumers, according to analysis from researchers at [UC Berkeley](#) and [Energy Innovation](#).
- **American families can save money by replacing gas appliances with cleaner all-electric alternatives**
  - Replacing fossil fuel furnaces and water heaters with clean electric alternatives can lower costs for [103 million of America's 121 million homes](#), with total savings of more than \$37 billion, according to analysis from Rewiring America.
  - [A new report from Carbon Switch](#) also finds adopting highly-efficient electric heat pumps — which both heat and cool homes — can result in significant savings for homeowners.
    - Instead of helping consumers, the gas industry has waged secretive campaigns to [block improvements to the nation's building codes](#) and [strip local governments of their authority to build better buildings](#).
- **To protect American families and businesses from high gas prices, the Build Back Better Act would rapidly expand renewable energy and provide consumers with financial incentives to replace gas appliances**
  - The bill ([as approved by the House Energy and Commerce Committee](#)) would invest tens of billions of dollars to accelerate adoption of clean power such as wind and solar.
  - [Homeowners would also be eligible for thousands of dollars in rebates and incentives](#) for projects to reduce home energy use and to purchase electric alternatives for home and water heating.
- **New gas investments only double down on what got us into this mess in the first place**
  - A series of extreme weather events this year, like [February's severe cold across much of the U.S.](#) and [Europe's unusually cold April](#), have all [combined to drive up gas prices](#).
  - [Historic drought across South America](#), attributed to climate change, is also [driving Brazil to import record levels of LNG](#).
  - As the IEA's latest World Energy Outlook report shows, [achieving the world's climate goals requires us to start ramping down global gas demand](#).