



Industry Forum: Natural Gas Technology Policy

- > Natural Gas Technologies Conference
February 10, 2004

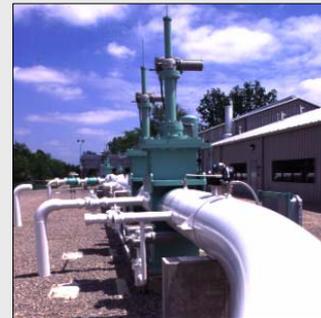
John Riordan
President and CEO

Interplay of Policy and Technology

- > Important in many sectors...
...essential in the energy sector
- > Energy supply underpins America's economic strength and national security
- > Energy production, delivery and use affect the environment and public health

Energy-Related Policies

- > Resource development encouraged
 - Tax credits, regulations, fees, laws
- > Energy delivery made secure and reliable
- > Energy use “shaped” to achieve goals
 - Conservation, air quality



Appropriate Roles for Government

- > Support longer-term, high-risk, 'breakthrough' or crosscutting research
- > Assist in early deployment
- > Encourage creative R&D funding by private sector
 - FERC gas-industry example
- > States: Use tax, regulatory and planning levers to promote new energy technologies



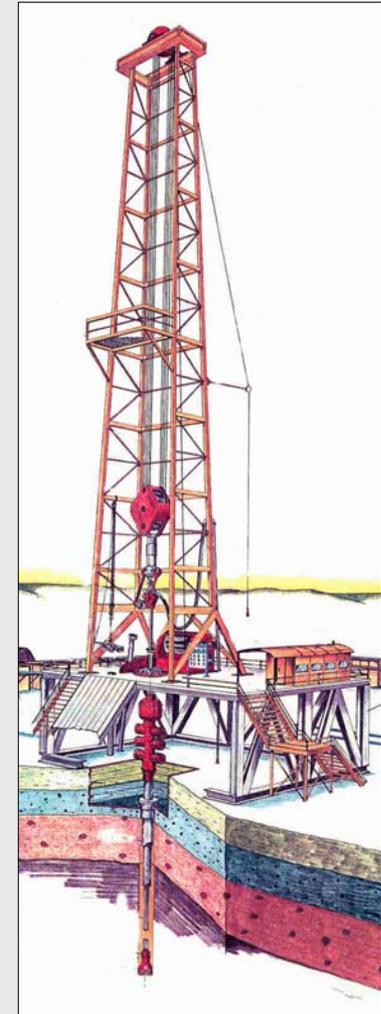
Natural Gas Supply

- > Need gas supplies that are affordable as well as reliable and abundant
- > LNG: a savior, or a stopgap?
- > Alaskan gas: infrastructure hurdle

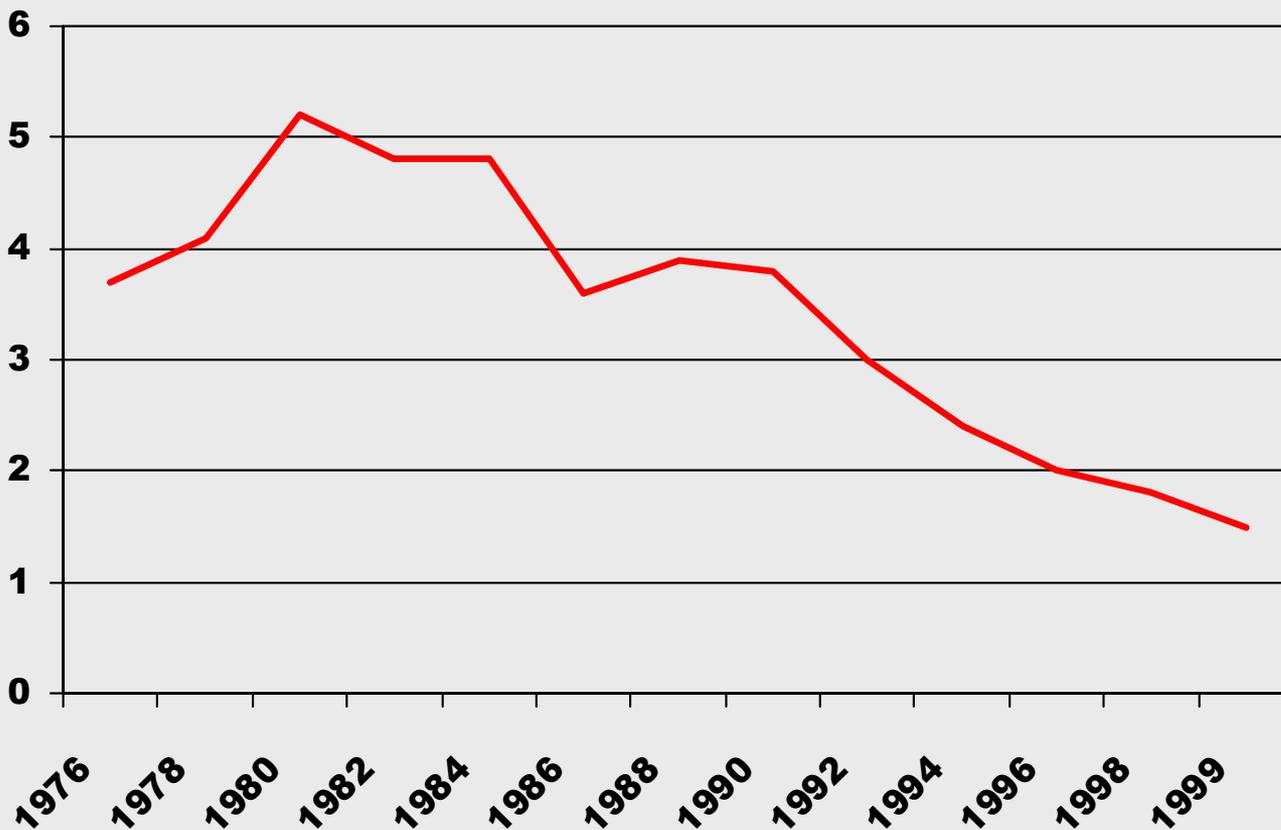
- > **North American gas resource base** still the key to long-term supply needs
 - “Easy” gas has been produced
 - Technology now even more important

Policy Issue: “Market Forces” or Government Lead ?

- > Companies averse to long-term, risky R&D
- > Government initiative, but coordinated with industry
- > Stable, meaningful funding enables sustained research on the tough problems
- > Need advanced tools to tap more challenging formations



U.S. Private-Sector Energy R&D: (Billions of Yr-1995 U.S. Dollars)

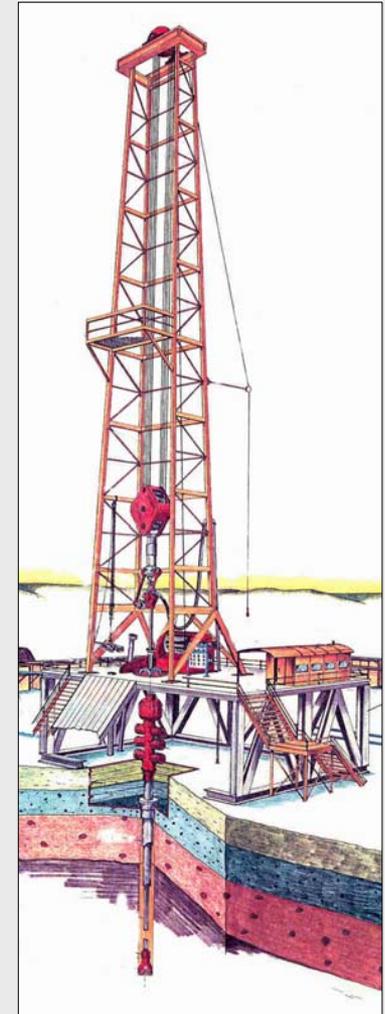


Figures are in constant 1995 dollars

Source: *Energy Technologies for the Twenty-First Century*, World Energy Council, 2000

Policy Issue: “Market Forces” or Government Lead ?

- > Companies averse to long-term, risky R&D
- > Government initiative, but coordinated with industry
- > Stable, meaningful funding enables sustained research on the tough problems
- > Need advanced tools to tap more challenging formations



Policy Issue: Access to Western and Coastal Areas

- > Must reexamine current policies
- > Significant gas volumes could be produced
- > Sensitivity: Environmental impact
- > Solution: New technology that allows wide-area production from a single well
 - Show all stakeholders what's now possible



Cosponsored by the U.S. Department of Energy's
National Energy Technology Laboratory

gti.



Additional Sponsors



Natural Gas Technologies II: Ingenuity & Innovation