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December 7, 2021

The Honorable Elizabeth Warren
United States Senate
309 Hart Senate Office Building
Washington, DC 20510

Dear Senator Warren,

*Today, 12/7, is the deadline you gave natural gas CEOs to respond to your letter blaming them for rising natural gas prices—which you are in fact to blame for. **Here's how proud gas CEOs would answer you if they were not afraid of your political wrath.***

Sincerely,

*Alex Epstein
Energy expert
Founder and President, Center for Industrial Progress
Author of The Moral Case for Fossil Fuels and Fossil Future
Creator of EnergyTalkingPoints.com*

Dear Senator Warren,

In your letter you claim “concern about rising natural gas prices,” which you attribute to my and other “energy companies’ corporate greed.” But if you want to avoid unnecessarily high gas prices, you must recognize that they are your fault, not ours.

There are three basic facts that explain unnecessarily high natural gas prices:

1. Prices are determined by supply and demand, not “greed.”
2. America has an effectively unlimited supply of gas.
3. You and other anti-gas politicians have artificially restricted the supply of gas.

Fact 1: Prices are determined by supply and demand, not “greed.”

If we could control natural gas prices in our favor, why didn't we do so during unprofitable 2015-20? Our profits are determined by a) the market price for our product and b) our efficiency.¹

When prices go up, it is crucial that companies can profit for two reasons.

1. We *earned* our profit through efficiency.
2. Profits motivate and make possible investment, which lowers long-term prices.

Your railing against our profits is unjust and shortsighted.

Fact 2: America has an effectively unlimited supply of gas

Thanks to the shale revolution, aka “fracking,” which you have tried to ban, the US has enough natural gas to supply us and other nations for decades just with current technology—and for centuries with future technology.²

The only thing that can stop our industry from producing low-cost natural gas for America and the world—including the billions of poor people whose lives we improve—is politicians who coercively restrict our otherwise limitless ability to produce low-cost natural gas.

Fact 3: You and other anti-gas politicians have artificially restricted the supply of gas

When you and other anti-gas politicians place draconian restrictions on natural gas production and transport, and threaten to do far worse, supply goes down and prices go up.

The number one bottleneck to lower gas prices is a lack of pipelines and export facilities to transport natural gas from where it is drilled to markets throughout the US and around the world. You have contributed to this problem by avidly opposing pipelines and export facilities.³

¹ U.S. Energy Information Administration - Natural Gas Prices https://www.eia.gov/dnav/ng/ng_pri_sum_dcu_nus_m.htm

² “On my first day as president, I will sign an executive order that puts a total moratorium on all new fossil fuel leases for drilling offshore and on public lands. And I will ban fracking—everywhere.”
<https://twitter.com/ewarren/status/1170070887887986690>

“Most of the production increases since 2005 are the result of horizontal drilling and hydraulic fracturing techniques, notably in shale, sandstone, carbonate, and other tight geologic formations.”
<https://www.eia.gov/energyexplained/natural-gas/where-our-natural-gas-comes-from.php>

“The U.S. Energy Information Administration (EIA) estimates that in 2020, U.S. dry shale gas production was about 26.3 trillion cubic feet (Tcf), and equal to about 79% of total U.S. dry natural gas production in 2020.”
<https://www.eia.gov/tools/faqs/faq.php?id=907&t=8>

<https://www.energy.gov/fecm/science-innovation/oil-gas-research/methane-hydrate>

³ <https://eu.detroitnews.com/story/news/politics/2020/02/26/elizabeth-warren-calls-line-5-shutdown/4885611002/>
https://www.enbridge.com/~media/Enb/Documents/Factsheets/FS_Without_Line5_econ_impact.pdf
<https://www.markey.senate.gov/news/press-releases/senators-markey-and-warren-to-reintroduce-legislation-to-block-infrastructure-used-to-export-americas-natural-gas>