



**Texas
Independent
Producers and
Royalty Owners
Association**

Natural Gas – The Clear and Clean Winner for Texas

Abundant *Producers doubled inventory of reserves of American Natural Gas in five years.*

- 39% of electric generation in Texas and 22% in the U.S. is fueled by natural gas.
- 9,379 gas wells completed in Texas in 2008 allowed producers to keep pace with increasing demand.
- 12% increase in natural gas output in Texas and 9% increase nationwide in 2008 compared to 2007.

Reliable *Natural gas is the mainstay of energy independence and security in the U.S.*

- Independent producers produce 82% of U.S. natural gas and assure stability for electrical power grids.
- As Texas diversifies its power portfolio, natural gas is the essential partner for renewable sources.
- Natural gas is the only fuel that can provide immediate power to the grid when alternate sources vary depending on weather conditions, thus making natural gas key to stable electric power.
- 52% of residences use American natural gas as the primary home heating fuel.

Available *Natural gas is “home grown.”*

- Texas is the #1 natural gas producing state and supplies more than 29% of natural gas to the U.S.
- Natural gas is produced locally and doesn't have to be transported through diesel-burning trucks and trains.
- Natural gas used for power generation increased by 55% since 2000 and will grow another 69% by 2017.
- Natural gas usage has grown substantially and will continue to grow as the need for new energy increases..

Cleaner *Natural gas has fewer emissions than other base fuel sources.*

- If Congress passes carbon capping or carbon tax legislation, natural gas will be the fuel of choice.
- Natural gas generation requires a smaller footprint compared to coal and many renewables.
- Less than 17% of greenhouse gas emissions come from natural gas used across all economic sectors.
- Natural gas does not have the long-term waste disposal concerns created by other fuel choices.

Competitive *The right choice for electric generation.*

- The capital costs of gas-fired generation facilities are the least expensive of any alternative electricity generation source.
- Natural gas-fired generating facilities may be permitted and built much more readily than coal or nuclear.
- Natural gas-fired generation facilities may be located near demand centers thus minimizing expensive transmission line needs.

Good for Texas *The Texas Exploration and Production Sector supports government services.*

- Texas natural gas producers paid **\$2.68 billion** in severance taxes in FY 2008.
- Producers paid **\$1.1 billion** in bonus, rental, and royalty income to the Permanent School, University, and Investment Funds in FY 2008.
- The Texas Rainy Day Fund is funded almost entirely by severance taxes paid by natural gas and oil producers and royalty owners.
- Natural gas and oil are the only fuel sources that pay production taxes to the general revenue of Texas.
- Exploration provides about **77,500** jobs to Texas with a payroll in excess of **\$12.7 billion** dollars in FY 08.

Natural gas is the key fuel for economic and energy security in America and will serve as the bridge to the energy sources of the future. TIPRO members will help map the energy landscape for generations and educate the public on what we need to do to get there.