



CONSUMER **ENERGY** ALLIANCE
THE VOICE OF THE ENERGY CONSUMER

Southern States Energy Board Annual Meeting

Brydon Ross, VP of State Affairs
Consumer Energy Alliance

September 29, 2015



Who We Are. What We Do.

- Non-partisan “Voice of the Energy Consumer”
- Expand dialogue between energy producers & consumers to increase production, lower energy prices and spur economic growth
- Work with elected leaders, stakeholders and consumers to create balanced energy policy & maintain stable energy supplies & prices
- Create mechanisms for broad public input on crucial energy issues
- Share facts & move debate outside the Beltway





Mission

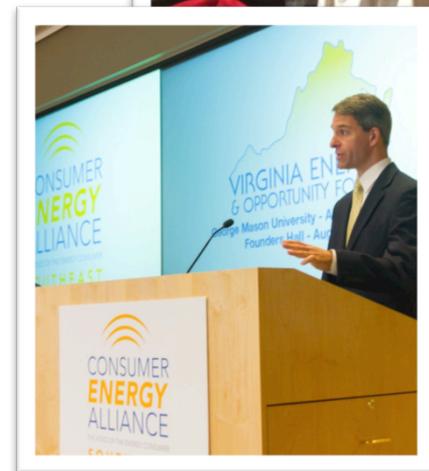
The mission of CEA is to improve consumer understanding of our nation's energy security, including the need to reduce reliance on imported oil and natural gas, maintain reasonable energy prices for consumers, and continue efforts to diversify our energy resources.

Membership Makeup by Industry



By the Numbers

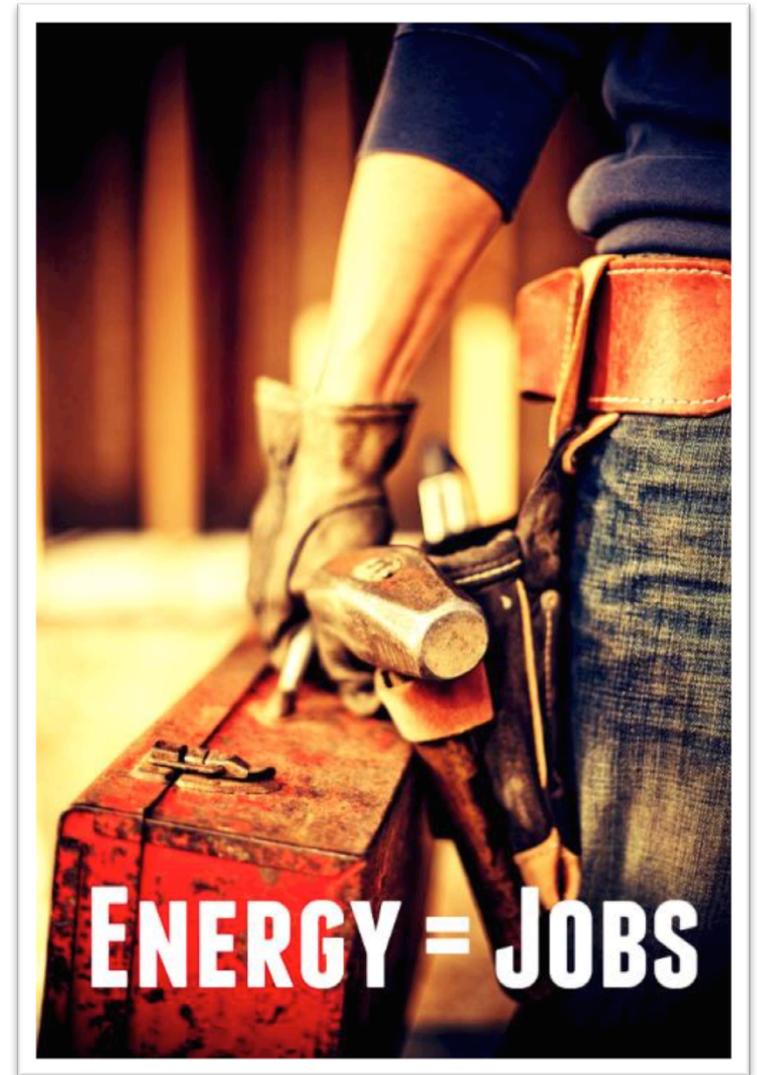
- **400,000+** grassroots activists in all 50 states
- **275+ member** organizations & affiliates
- Chapter Operations covering **20 states**
- Reach **8,000,000+** viewers per week
- **165,000+** Social media followers
- **2,400,000+** public comments in support of energy since 2011



Energy = Economic Growth

The U.S. energy revolution is **CREATING** new jobs in the U.S. and billions in economic growth and energy savings:

- 9.8 million direct and indirect jobs
- 196,000 Manufacturing jobs, adding \$124B in metro areas from 2010-12
- Average consumer saves \$1,200 annually due to low natural gas costs
- Cheapest gasoline for Sept. since 2010; typical consumer saved roughly \$750 from 2014— all due to American energy

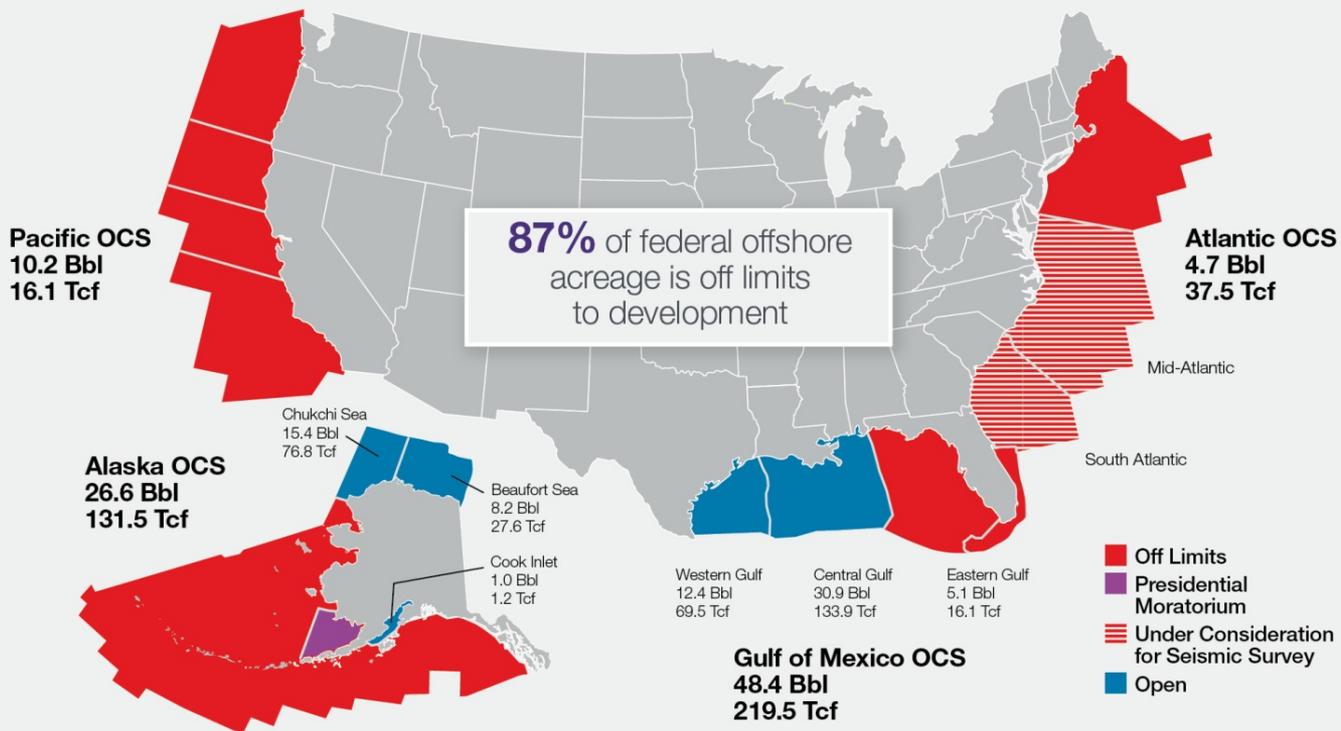


87% of Federal Waters is Off Limits to Production

Source: API

U.S. Offshore Undiscovered Technically Recoverable Federal Oil and Natural Gas Resources

(billion barrels — Bbl and trillion cubic feet — Tcf)



Source: The Bureau of Ocean Energy Management (BOEM).

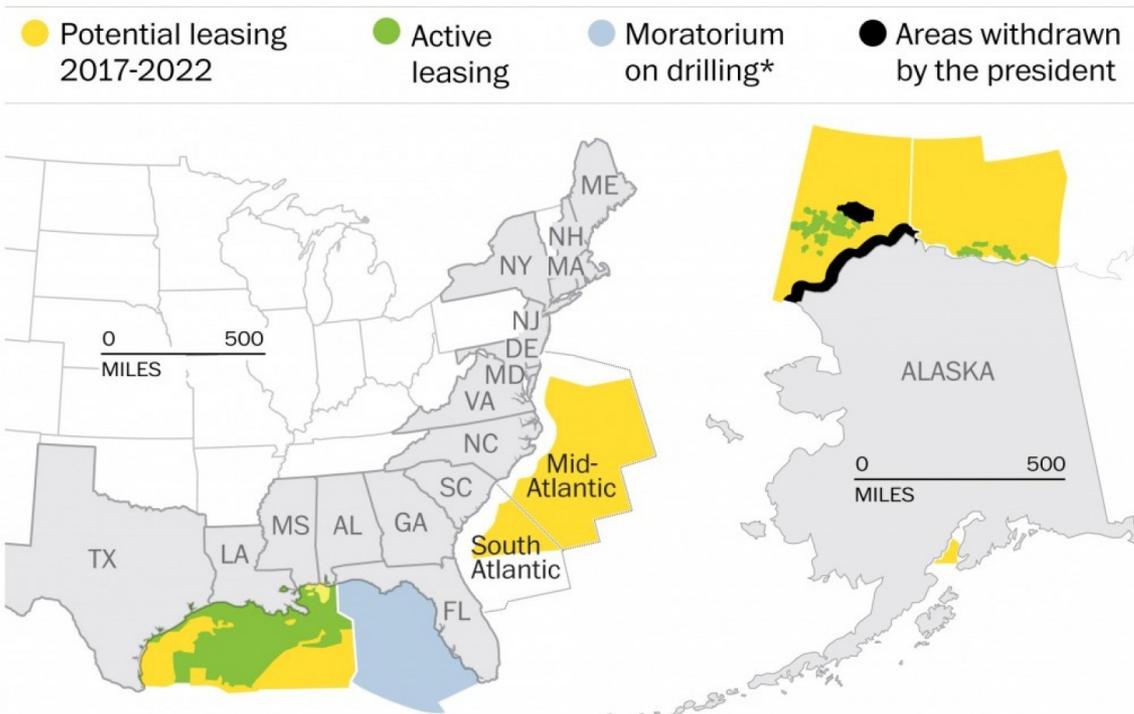
The Atlantic Moratoria & Our Global Competitors



Offshore Draft Proposed Program (2017-2022)

The shifting landscape of offshore drilling

The Obama administration has proposed opening up the southern Atlantic coast to offshore oil drilling but is moving to restrict drilling in environmentally sensitive areas off Alaska's northern coast.



*Through 2022

Source: U.S. Department of the Interior

THE WASHINGTON POST



Resource Potential in Real World Terms

- At current consumption rates, offshore Mid-Atlantic energy (9 billion barrel estimate) could provide households enough oil for:
 - 40 Years in Virginia
 - 42 Years in North Carolina
 - 67 Years in South Carolina
 - 32 Years in Georgia
 - 17 Years in Florida

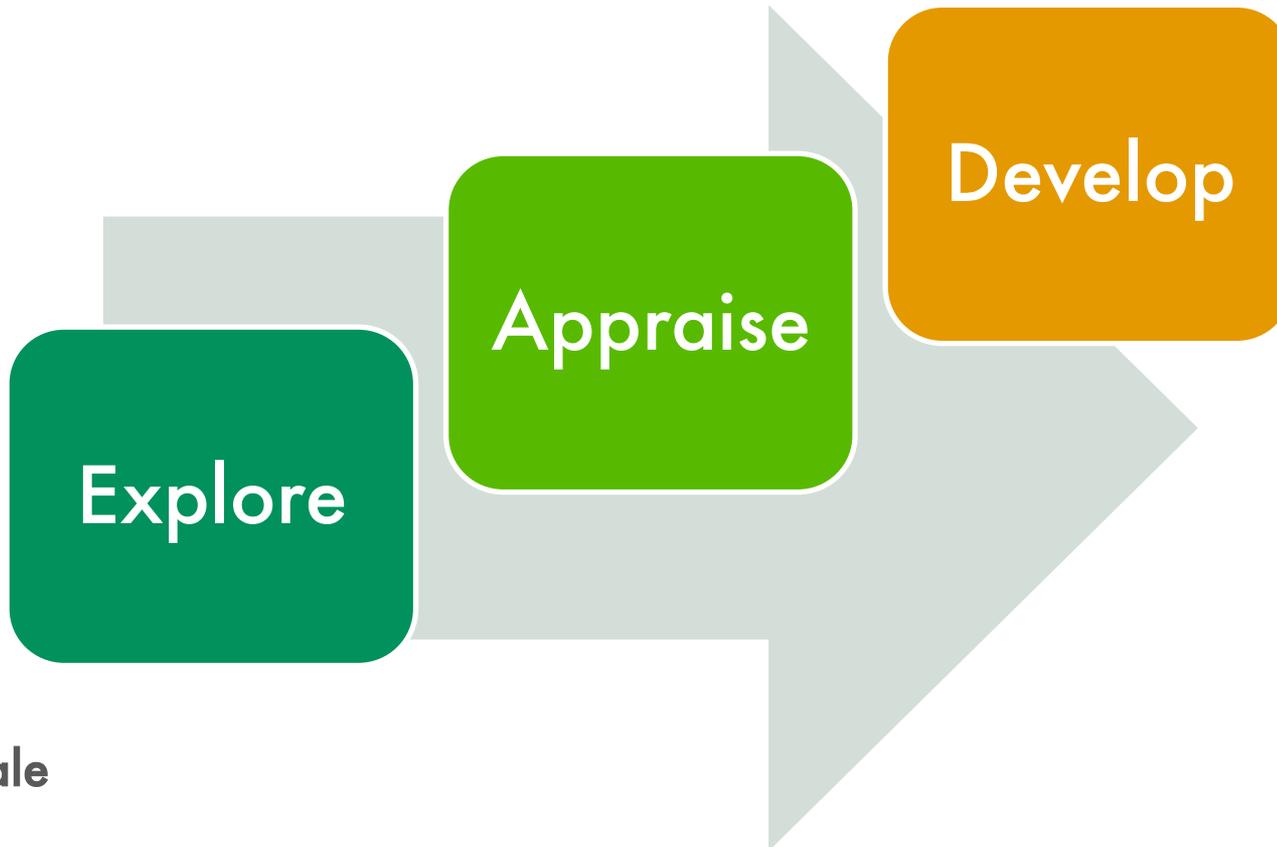


Why Consumers Care

- Atlantic OCS exploration could create 280,000 jobs, provide \$200 billion in government revenue and 1.3 million barrels of oil equivalent per day (Quest Offshore Resources Study).
- Reduced pain at the pump for working families, retirees, and those on fixed incomes.
 - Households earning less than \$50,000/year spend 21% of *after* tax income on energy (2012 Bank of America study).
- Increased energy security to cushion against future supply disruptions and price spikes.
- Millions in new state and local tax revenue from attracting new industry & related businesses.
- More local work for our ports and maritime community.

A DECADE OR MORE TO FIRST DROP

- Long-Term Development
- 10 - 15 years from exploration to first production
- Need to start now



Production
2035

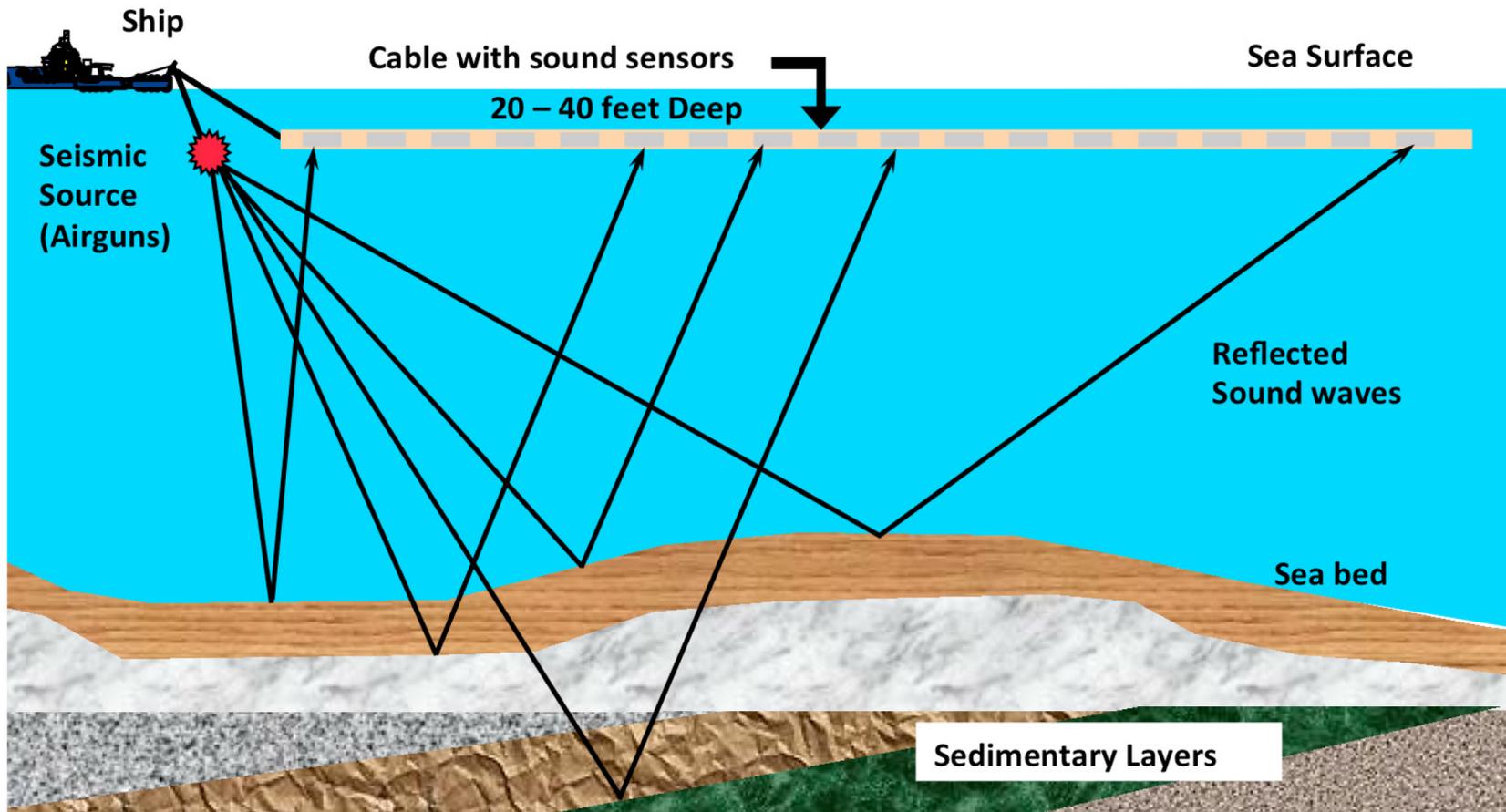


Lease Sale
2021

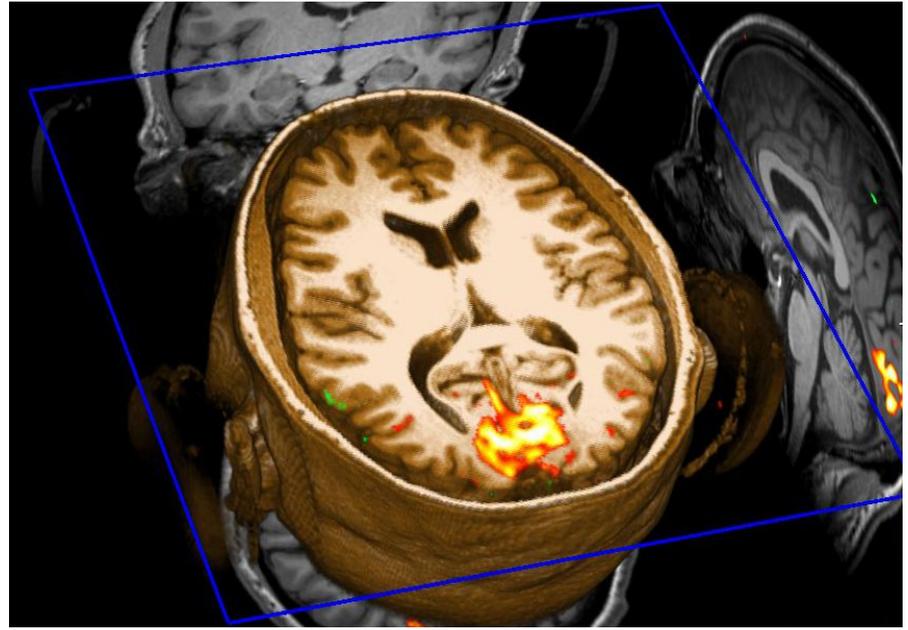
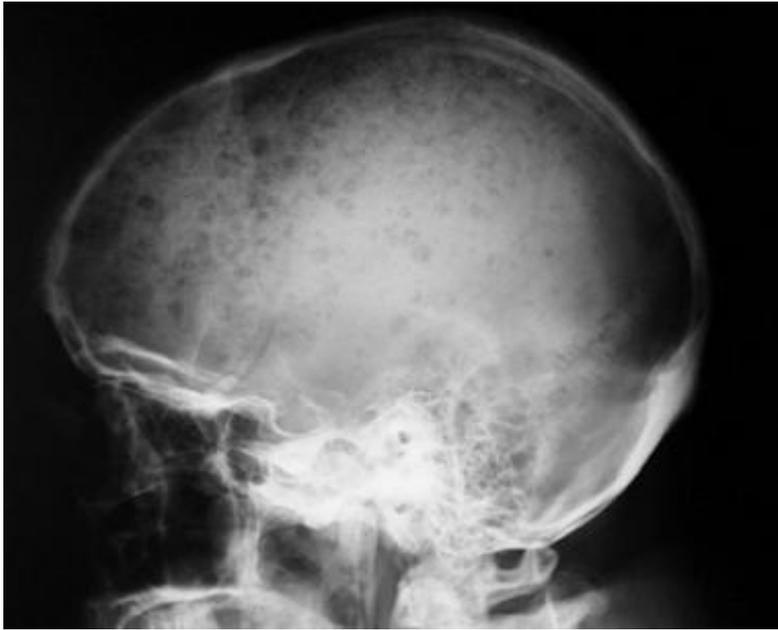
The 5 Year Plan Process & Seismic Testing (Pre-Leasing)

- OCS Lands Act requires Dep. of Interior to prepare a 5-year program that includes a schedule of potential oil & gas lease sales.
- Steps in the 5 Year Plan:
 - Request for Information – 45 day comment period.
 - NOI of Proposed EIS – 60 comment period
 - Draft Proposed Program – 60 day comment period.
 - Draft Programmatic EIS Published – 45 day comment period
 - Proposed Program Published – 90 day comment period
 - Proposed Final Program & Final EIS – 60 day review by Congress/30 day review for EIS
 - Final 5 Year Program Announced
- Seismic testing informs this entire process by providing a resource estimate for potential areas suitable for leasing.

Seismic Testing at a Glance & Why It's Needed



2D vs. 3D: Improved Technology Leads to Improved Results





Don't Just Take My Word for it

BOEM stated:

“there has been no documented scientific evidence of noise from air guns used in geologic or geophysical seismic activities adversely affecting marine animal populations or coastal communities.”



Dispelling Myths Related to Seismic

- Over **1 billion miles** of seismic shot with **no** reported incidents harming mammals or fish in the U.S.
- State of the art tech./mitigation required; testing must comply with numerous federal statutes protecting wildlife & coastal resources.
 - (Endangered Species Act, Coastal Zone Management Act, Marine Mammal Protection Act, and Magnuson-Stevens Fishery Conservation and Management Act, etc.)
- Needed not only to evaluate oil & gas deposits, but renewable resource estimates & siting locations, as well seafloor suitability studies for safety purposes.
- Seismic is necessary to avoid impacts to environment by reducing the amount of drilling needed as well as dangerous subsurface hazards.



Dispelling Myths – Marine Mammal Impacts

- **No** G&G permits issued unless BOEM and NOAA find there is negligible impact or adverse effects on recruitment /survival of marine mammal species or stocks.
- **No** G&G activity allowed in Right Whale Critical Habitat or calving/wintering grounds (Nov. 1st through April 30th).
- Air guns, despite urban legend, are not 100,000 times louder than a jet engine;
- Claims of large-scale deaths and harm to marine life is inaccurate; BOEM acknowledges concept of “take” is broadly defined to include behavior changes such as leaving an area.

BOEM Mitigation Measures for Marine Mammals/Life

- Acoustic ramp-up – Incremental ramp-up for 20 minutes to allow marine life to leave area.
- PAM (Passive Acoustic Monitoring) – Required to listen for marine mammal vocalization;
- Limits on peak cumulative sound pressure/intensity– NOAA approved sound limits may not be breached & must be out of Right Whale habitat;
- Acoustic exclusion zones near vessels - No marine mammals/turtles allowed in zone (500 meters);
- Timing of closures – Avoid animals & sound when breeding, migrating, or otherwise congregating;
- Visual monitoring by trained professionals
- Speed limits & immediate shut-down when marine mammals/turtles sited.



What's Changed Since Deepwater Horizon?

- Complete federal regulatory reorganization with new rigid, tough standards & penalties.
 - MMS broken up into the Bureau of Ocean Energy Management & Bureau of Safety and Environmental Enforcement.
- Implementation of National Oil Spill Commission directives.
- Mandated safety culture changes.
 - Not just a checklist a mindset; audits/3rd party certifications
- Hundreds of new safety standards including new well-containment technology, offshore support ships and equipment in pre-positioning for rapid deployment.



What is CEA Doing?

- Joint offshore Atlantic Energy Forums with BOEM & diverse stakeholders:
 - September 24, Richmond, VA
 - October 8, Wilmington, NC (12:30 – 2:30 pm):
Wilmington Convention Center
 - November 3, Columbia, SC (12:30 – 2:30 pm):
Columbia Conference Center
 - November 19, Atlanta, GA (12:30-2:30 pm):
Sloppy Floyd Building (The Floyd Room)
- Targeted Lunch & Learns in Coastal Communities



Closing & Wrap - Up

- Offshore exploration is vital for economic and energy security for consumers; states stand to see substantial local benefits.
- Importance of moving forward NOW – long horizons for development.
- Environmental safeguards are continually used, implemented and refined in seismic testing with oversight from a very strong set of federal regulations.
 - Seismic surveys simply provide data to help the public and policymakers, like you, make informed decisions.
- Anti-development groups are pedaling inaccurate information & scare tactics designed to stop offshore production & related infrastructure.
- Energy development vs. environmental protection is a FALSE choice; we can safely access our natural resources w/out harming our environment.



Thank You SSEB!

Questions?

For more information:

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“Consumer Energy Alliance excels in propelling grassroots movements across the country and casting a broader net on important energy issues. Instead of recreating the wheel, CEA is able to amplify collective outreach efforts, ensuring that consumers are informed and knowledgeable of all energy-related discussions.”

- George Stark, Director, External Affairs, Cabot Oil & Gas Corporation

“Texas Trucking Association is a proud industry member of CEA, working together to expand visions and provide sound information to our members. This partnership has proved mutually beneficial and effective in positive advocacy and education.”

- John D. Esparza, President and CEO Texas Trucking Association