



# VIEWS & VISIONS

A publication of Bowles Rice LLP

Fall 2014



## Natural Gas Exports Provide Wealth of Opportunity at Home

James C. Grech, Vice President and CCO  
CONSOL Energy Inc.

James C. Grech serves as Executive Vice President and Chief Commercial Officer of CONSOL Energy Inc. In this capacity, he is responsible for CONSOL Energy's sales and marketing, transportation services, CNX Land Resources, and research and development groups, as well as Fairmont Supply. He most recently served as Senior Vice President of CNX Land Resources, Inc.

Mr. Grech joined the company in 2001 as the Vice President of Business Development. He was named Vice President, Energy Marketing in 2003; Vice President, NAPP Gas and Energy Marketing for CNX Gas in 2004; and was promoted to Senior Vice President - Marketing of CONSOL Energy Sales Company in 2005.

Prior to joining CONSOL Energy, he had worked since 1985 for Michigan power generator DTE Energy. He served as Vice President of Marketing for DTE Coal Services and Director of Fuel Supply for Detroit Edison.

Mr. Grech is a member of the American Coal Council and the National Coal Transportation Association. He serves on the board of trustees for Monongahela Valley Hospital and is a board member of Mon-Vale Health Resources and Mon-Vale Non-Acute Care Services. He is also a member of the Catholic Service Foundation - Adopt a Child.

From the time the oil and gas industry began in West Virginia at Burning Springs during the pre-Civil War era, the Mountain State has established itself as a leading energy player in our nation's history and a major player in the global energy economy. From the high-quality coal mined throughout northern and central Appalachia, to a robust forest and paper products industry, to its position as a leading natural gas producing state, West Virginia's rich resources continue to be the backbone of its economy.

During the past several years, the natural gas industry has invested billions of dollars in the state to safely and responsibly develop natural gas from shale formations. The industry, in turn, has benefited from the support of state and local governments, the strength of the business and civic community and a skilled workforce to become the engine of the state's economy.

**Since our founding in 1864, CONSOL Energy is proud to have had a long and successful partnership in helping West Virginia develop its abundant natural resources and power the nation with affordable, domestic energy.**

Over the next three years, CONSOL Energy plans to invest nearly \$14 billion in our West Virginia natural gas assets in an effort to increase production by 30 percent each year. This investment will create meaningful opportunities along the natural gas supply chain, while providing our host communities with added tax



revenue and economic activity. Our 150-year commitment to West Virginia endures even today.

Since our founding in 1864, CONSOL Energy is proud to have had a long and successful partnership in helping West Virginia develop its abundant natural resources and power the nation with affordable, domestic energy. Increasingly, West Virginia coal is powering economies around the world and, in a few short years, our natural gas will do the same.

As the global leader in natural gas production, the United States stands at the forefront of a highly competitive global market to export liquefied natural gas (LNG) to growing economies around the world seeking clean-burning energy resources to power their growth and development. As a leading producer in both the Marcellus and Utica shales, CONSOL Energy is well-positioned to provide this energy, while investing significant capital in West Virginia that will create jobs for local communities across Appalachia.

While LNG exports most certainly will create opportunity here at home, there are also broader, more far-reaching benefits to the U.S. economy. According to the U.S. International Trade Administration, every \$1 billion of U.S. exports could result in more than 5,555 new jobs at home. Each LNG export terminal will generate



*Dominion Energy's Cove Point LNG Terminal near Lusby, Maryland. (AP Photo/Cliff Owen)*

millions of dollars in new tax revenue for federal, state and local governments, which can help fund vital public services and reduce public debt.

For example, the Dominion Cove Point export terminal in Maryland – the only export terminal proposed on the east coast – is estimated to create 3,000 new jobs and reduce the nation's trade deficit by up to \$7 billion a year. With upwards of 20 LNG terminals proposed in the United States, one can quickly realize the impact of this one sector of the economy. Additionally, LNG exports also provide the United States with the option to expand trade opportunities with strategic partners and allies in the European Union and Asia.

Recently, The *Charleston Daily Mail* editorial board signaled its support for natural gas exports, joining other newspapers and thought leaders across America, and urged federal policy makers to act on the opportunities it would provide West Virginia: "In a time when economic growth is slow and unsteady and market and regulatory trends are burdening the coal industry, the Marcellus and Utica shales are a big bright spot for West Virginia and the three-state region around northern West Virginia."

The United States produces more natural gas than any other nation in the world, and LNG exports offers us an opportunity to create thousands of new jobs, generate billions of dollars in

revenue and substantially reduce our trade deficit. In addition, with the geo-political challenges our allies in the European Union face today, it's time we embrace our new role as a global energy leader and provide our friends and allies around the world with the energy security they need.

However, this generational opportunity will not last forever. Other countries are racing to take advantage of growing demand for natural gas. If the federal government does not act in a timely manner to approve export terminal construction projects, this historic opportunity may not be fully realized. ▾