

Rep. Jim Costa
Opening Statement
Subcommittee Hearing: “Shale Gas Potential”

Today is the first of a series of hearings on unconventional fuels. I expect this series will provide opportunities to examine such critical questions as: which unconventional fuels are ready for prime time in our energy portfolio, which need more time for research and technological development, and what are the benefits and tradeoffs associated with various unconventional fuels, such as water use, cost-competitiveness, and climate impacts?

Shale gas is the first resource we will examine. Shale gas could be a sizeable part of our energy portfolio in just a few years. Technological advances are already unlocking huge reserves of natural gas from shale. Just one shale play, the Barnett in Texas, produces 6% of all U.S. natural gas. Yet the Barnett could soon be dwarfed by other shale gas plays. Here in the east, the Marcellus Shale formation alone may contain enough natural gas to supply the nation for 15 years at current rates of consumption.

However, capitalizing on this vast resource may be delayed without proactive efforts to answer questions—commercial, technical, environmental. For example, there are business risks associated with shale gas. Natural gas prices influence development. Landowner concerns are emerging. And, some states are considering limits on drilling until water supply and wastewater issues are resolved.

Today, I hope we will learn about solutions that are available to help citizens, states, and the federal Government capitalize on shale gas. I look forward to today’s panel, including geologists, the business outlook, and perspectives on regulations and water and sustainability concerns.