THIRD WAY

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A New Path for Natural Gas: A Pragmatic Strategy for Climate, Security, and Economic Leadership

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Why Natural Gas Still Matters

From surging electricity demand to climbing greenhouse gas emissions to rising energy prices for working families, policymakers face competing challenges that demand thoughtful, rigorous answers. Both the Democratic and Republican Parties' energy plans often miss the mark, as they default to platitudes and blanket statements instead of the pragmatic policies Americans want. This challenge is particularly acute for Democrats, whose emphasis on clean energy can read as unrealistic and out-of-touch with the median American, whose daily life almost invariably depends on fossil fuels and for whom cost concerns are paramount.

For Democratic policymakers to meaningfully address the challenges facing the energy sector and overcome key voters' wariness, they must adopt a true all-of-the-above strategy. This strategy must center four core principles: American energy must be reliable, affordable, secure, *and* clean.

Pursuing those four priorities simultaneously requires balance and tradeoffs. The American public understands this. They accept, and even expect, that US energy policy must *balance* the need to make our energy sources cleaner as quickly as possible with the current centrality of natural gas to this country's economy and security, and the immediate concerns of everyday Americans. Policymakers must embrace this reality as well.

Democrats should support a bold, pragmatic agenda that supports continued natural gas production and strategically expanding liquefied natural gas (LNG) exports as long as our economy needs it. The party must do so while maintaining its commitment to reducing climate pollution, calling for the deployment of a diverse set of clean energy sources like nuclear, hydro, renewables, and geothermal, and vocally demanding that gas operations be cleaner, safer, and more efficient—especially by using carbon capture technologies and strict methane standards. It's a smart, balanced approach that meets our energy needs and drives us toward a cleaner economy of the future.

State of Play: An Overview of Prevailing Narratives on Natural Gas

Only 31 percent of U.S. adults—and less than half of Democrats—support phasing out the use of natural gas and other fossil fuels today. But environmental groups have consistently pushed many Democratic lawmakers to the left of the electorate, demanding that policymakers block natural gas pipelines, restrict gas transportation, or even pass municipal bans on new gas hookups. As a result, Democratic policies on natural gas over the past two decades have been inconsistent at best and, at times, politically tone-deaf.

During President Obama's second term, his administration actively supported a boom in natural gas production while simultaneously calling it a "bridge fuel" to a low-carbon energy system, implying that natural gas would inevitably fade away in the coming decades. President Biden's position on gas was equally dissonant, with his administration's decision to pause LNG export approvals coming just as our European allies were desperately searching for ways to end their dependence on Russian gas following its invasion of Ukraine—ceding what should have been a prime opportunity to solidify long-term export agreements with Europe.

Meanwhile, President Trump has called for a reckless and incoherent energy policy that is driven more by a desire to undermine clean energy than it is to create a sustainable and affordable energy system. His One, Big Beautiful Bill would increase natural gas and electricity prices for consumers, not lower them. [1] His disastrous and chaotic trade policy has also completely upended the ability of domestic

producers to plan for the future, fostering widespread uncertainty across the entire oil and gas industry.

The U.S. cannot build a more resilient energy system by waffling back and forth between policies that ignore basic market dynamics. There is no question that global energy markets will continue to demand natural gas for the foreseeable future and the United States is better positioned than any other country to meet that demand. At the same time, the U.S. must diversify its energy system with cleaner and increasingly affordable energy sources that can support our rapidly increasing demand for power.

There is a better path forward—one that recognizes that supporting more efficient, cleaner, and domestic natural gas can be part of a strategy that stabilizes energy markets, strengthens American innovation and competitiveness, and promotes long-term decarbonization.

The Role of Natural Gas Today

Natural gas is the backbone of America's energy system. It serves as a fuel and a feedstock for a huge variety of manufacturers and is used for cooking, heating, and hot water in 60% of American households. [2] Natural gas provides over 40% of total US electricity and offers dispatchable power alongside other technologies like nuclear—meaning it fills in the gaps when wind or solar aren't available—which is essential for keeping the grid stable. And it does all this at a low cost for American consumers.

Over the past two decades, a growing supply of cheap natural gas has helped replace our dependence on coal and diversify America's energy system. That shift has driven real climate progress: U.S. electric **power sector emissions have declined by over 40%** since 2005, largely as a result of coal-to-gas switching. [3] And we can't ignore its strategic importance: the U.S. became the world's top LNG exporter in 2023, helping allies like Germany, Japan, and South Korea reduce their dependence on autocratic energy suppliers.

Then there are the political and economic realities of natural gas production. Most Americans view natural gas as the most reliable energy source—especially men without college degrees, a group that accounts for most energy-related jobs and has been moving away from the Democratic Party in droves. Three of the top five gas-producing states—Texas, Pennsylvania, and New Mexico—are key battlegrounds that shifted right more aggressively than most swing states did in the last election. Because oil and gas royalties and tax revenues fund everything from schools to local governments, it's no wonder many voters are wary of a party that treats natural gas as just a "bridge fuel" that will go the same way as coal. This would risk bringing their communities down the same path that has visibly shaken Appalachia's coal country and led many people to oppose clean energy investment.

But natural gas comes with real risks: methane leaks, flaring, and health risks for communities near production sites. And the climate math is clear—unabated gas cannot be the future.

Five Policy Principles for a Smarter Gas Strategy

1. Support Natural Gas as Part of a Diversified Energy Mix

The United States needs an energy strategy rooted in reality. That means **embracing a diverse energy system** that relies on natural gas to complement clean technologies like nuclear, renewables, hydro, and geothermal. As the world's largest natural gas producer, we have a competitive edge and enough reserves to last well into the next century. And gas already serves as a versatile fuel source that connects to 75 million homes across the country—infrastructure that can't be easily or cheaply replaced. Making American energy more reliable, affordable, secure, and clean means recognizing that natural gas has an important role to play.

Natural gas isn't the only answer—far from it. But continuing to invest in production, distribution, and export infrastructure now gives us **flexibility and leverage**: we can keep prices down at home, boost our geopolitical edge by exporting to allies, or secure our reserves for the future.

2. Expand LNG Exports—But Pair with Domestic Supply and Clean Energy Investment

Acknowledging that natural gas is here to stay isn't a retreat from clean energy—it's a strategic move. The U.S. can't control global gas demand, but we can ensure that Americans are the beneficiaries of it. Bloomberg estimates that global demand for gas will increase by 25% between now and 2050 and even other highly ambitious climate models project that natural gas demand will hold relatively steady for decades to come. If we don't ramp up exports to meet market demand, countries like Russia and Qatar will step in to fill the gaps—with dirtier fuel, fewer standards, and no accountability.

But more exports **must be matched with continued domestic gas production and increased clean energy deployment** to avoid price spikes at home. The Department of Energy's own analysis shows that increasing exports boosts the economy across the board, but to fully realize those benefits we need to make sure we can continue to meet our own domestic power demand with reliable and affordable energy. [4] **The choice is clear: lead with cleaner American gas and reap the benefits—or cede the future to our competitors.**

3. Stop Creating Unnecessary Restrictions on Natural Gas

Dozens of states and localities have enacted restrictions on natural gas in recent years. In states like California, this has contributed to surging electricity prices, raised legitimate concerns about grid reliability, and sparked backlash from consumer choice advocates. In an era where the United States needs to build cheaper and more abundant housing, municipal bans on natural gas connections only stand to raise costs and exacerbate existing construction challenges.

At the national level, blunt instruments like blanket moratoriums on new natural gas export approvals **ignore market realities and reinforce the narrative that Democrats are the party of creating unnecessary red tape**. And consistent grassroots opposition to things like pipeline infrastructure—the safest and cheapest way to transport gas—only makes those perceptions worse. This approach isn't working—it's raising costs and slowing progress.

4. Reduce Methane Emissions—Aggressively

While the U.S. should continue to produce and export natural gas, that **production must be contingent upon taking significant steps toward emissions reductions** by incorporating methane mitigation strategies, leveraging carbon capture technologies, and incentivizing operational efficiency. Abated gas—gas with emissions controlled—can complement renewables and nuclear, creating a diverse portfolio of clean energy solutions that can assist us and other countries trying to wean themselves off unabated coal.

The U.S. oil and gas industry **loses roughly $1 billion worth of methane each year** due to venting and leakage—methane that could otherwise be sold as natural gas. Stanford University estimates that the economic costs from these leaks exceed $9 billion annually when accounting for the social cost of carbon. [5] This is both a climate issue and a market inefficiency.

The Inflation Reduction Act introduced a Waste Emissions Charge (WEC) as a step forward on this issue, but Republicans rolled it back earlier this year. The U.S. should continue to pursue policies like the WEC and explore other innovative solutions that can drive economic investments in leak detection and repair technologies.

5. Accelerate Carbon Capture—For Climate and Competition

Carbon capture and storage (CCUS) isn't just a climate tool—it's a competitive edge. CCUS can remove **up to 99%** of emissions from gas and industrial facilities. It's also a major American innovation

advantage. The U.S. currently leads the world in CCUS, with **15 operational facilities and over 120 more in development** as of 2023. [6]

China is racing to catch up. If we want to lead the next generation of energy innovation, we must invest in **CCUS as a strategic asset**—not just for mitigation, but for economic and technological leadership. We need to signal clearly: **investments in reducing emissions are not just regulatory compliance—they're value creation.** Smart infrastructure and carbon management can cut waste, open new revenue streams, and future-proof American gas production against global market and policy shifts.

To get there, the US should prioritize investments in large demonstrations to expedite commercialization and focus on reducing federal and state-level barriers to permitting transport and storage infrastructure. CCUS still has a long way to go before it can be commercially deployed at scale in the US, but these technologies have strong potential to clean up industrial sectors, reduce emissions from gas, and anchor a new era of American energy exports.

Conclusion

The clean energy transition is happening—but it won't happen overnight. Natural gas is here to stay for now, and U.S. policy must reflect that reality without abandoning our climate goals. Democrats need to adopt a center-left energy strategy that acknowledges reality and makes American energy more reliable, affordable, secure, and clean.

This strategy should:

- Embrace innovation, not ideology;
- Demand more efficient industry operations, not unchecked drilling;
- Leverage our natural advantages, not restrict them out of political fear;
- And take global leadership seriously—not hand it off to authoritarian regimes.

The path forward isn't a choice between gas and clean energy. It's **cleaner gas**, **more efficient operations**, and a **stronger America on all fronts**—economically, diplomatically, and environmentally.

ENDNOTES

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