

United States Senate

March 12, 2018

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FINANCE
HEALTH, EDUCATION, LABOR,
AND PENSIONS
ENERGY AND NATURAL
RESOURCES
VETERANS' AFFAIRS
JOINT ECONOMIC COMMITTEE

Mr. Howard Bamsey
Executive Director
Secretariat of the Green Climate Fund
175, Art Center-daero
Yeonsu-gu, Incheon 406-840
Republic of Korea

Dear Mr. Bamsey,

The purpose of the United Nations' Green Climate Fund is "to support the efforts of developing countries to respond to the challenges of climate change." While the fund seeks to do this in part by assisting developing countries in limiting their greenhouse gas (GHG) emissions, I believe the fund is missing a major opportunity to decrease emissions by failing to support natural gas infrastructure projects in developing countries.

Replacing carbon-intensive, higher-emitting fuels with natural gas in countries that have already received dollars from the fund could result in annual emission reductions in excess of 806 million metric tons of carbon dioxide. If this was done in all Green Climate Fund-eligible countries, annual reductions could exceed 3 billion metric tons of carbon dioxide.

Thanks to greater natural gas usage, the U.S. has already drastically decreased its greenhouse gas emissions. In 2016 alone, the U.S. decreased its carbon emissions by 383 million metric tons, and in 2015, savings from natural gas-generated electricity nearly doubled savings from non-carbon electricity generation.

Of the countries eligible to receive Green Climate Fund support, nearly 70 percent produce the majority of their electricity from fossil fuels, and less than 25 percent produce the majority of their electricity from natural gas. However, more than 50 percent of Green Climate Fund-eligible countries generate at least 10 percent of their electricity from natural gas. So while some natural gas infrastructure exists in many developing countries, these countries are generally using higher-emitting energy sources to produce electricity.

Using natural gas to fulfill energy needs has other benefits. Not only does replacing higher-emitting fossil fuels with natural gas reduce carbon emissions by half, it also reduces sulfur oxide and nitrogen oxide emissions. Renewable fuels help reduce global greenhouse gas emissions, but their inherent intermittency and the current lack of utility-scale battery storage limits their practical use for supporting the needs of a modern economy. These limitations are not an issue with natural gas.

A 2016 study by the National Bureau of Economic Research highlights the ability to use fast-reacting fossil fuel like natural gas as a backstop to support growth in renewable investment. According to the study, a one percent increase in the share of fast-reacting fossil technologies is

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associated with a 0.88 percent increase in renewable generation capacity in the long-term. In other words, renewable energy paired with fast-reacting natural gas capable of quickly making up shortfalls in energy production is the best solution for decreasing global emissions.

Fortunately, technology already exists to efficiently ramp up natural gas electricity generation in developing countries. An assortment of power generation solutions are available, and in many cases, they can be installed in a matter of weeks and still cost substantially less than many of the projects the Green Climate Fund previously sponsored.

Using clean natural gas for electricity generation can benefit developing countries in the same way it continues to benefit the U.S. America's abundant, reliable supply of natural gas, paired with financing by the Green Climate Fund, can significantly and efficiently decrease emissions across the globe. Combining the renewable energy projects already supported by the Green Climate Fund with increased natural gas will ensure the highest decrease in emissions for the money invested. I call on the Green Climate Fund to follow the example of the United States and use its funds to support natural gas electricity generation and decrease greenhouse gas emissions around the world.

Sincerely,

Bill Cassidy, M.D.

Bill Cassidy, M.D.
U.S. Senator

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