



AMERICAN PUBLIC GAS ASSOCIATION

June 3, 2022

Mr. James P. Sheesley
Assistant Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Submitted via email to comments@fdic.gov

RE: Comments on Federal Deposit Insurance Corporation’s “Statement of Principles for Climate-Related Financial Risk Management for Large Financial Institutions”

Mr. Sheesley:

The American Public Gas Association (APGA) appreciates the opportunity to provide comments in response to the Federal Deposit Insurance Corporation’s (FDIC) request for comment pertaining to its draft “Statement of Principles for Climate-Related Financial Risk Management for Large Financial Institutions.”

APGA is the trade association for more than 730 communities across the U.S. that own and operate their retail natural gas distribution entities.¹ They include not-for-profit gas distribution systems owned by municipalities and other local government entities, all locally accountable to the citizens they serve. Public gas systems focus on providing safe, reliable, affordable, and clean energy to their customers and support their communities by delivering fuel to be used for cooking, clothes drying, and space and water heating, as well as for various commercial and industrial applications.

APGA supports goals to reduce greenhouse gas emissions in the United States. As a cost-effective and efficient energy source, consumers value the ability to choose natural gas as the solution that works best for their budgets and lifestyles. Given its growing domestic supply and the safe and reliable delivery system reaching almost every home and business in America, the direct use of natural gas in buildings is an important part of our country’s energy future. In fact, natural gas has been a big driver behind our country’s declines in carbon emissions. Notably, America’s gas

¹ More information available at www.apga.org.

utilities have added 30 million residential customers since 1970 with virtually no increases in emissions.²

As energy providers, APGA member gas systems are environmental stewards, prioritizing sustainability efforts, including using more renewable natural gas (RNG) and focusing on reducing emissions, such as through enhanced leak detection. As FDIC works to develop its climate-related risk principles for large financial institutions, APGA urges the agency to ensure that communities who rely on these banks can continue to leverage public utilities, especially the workforce and existing assets. The men and women, who work for APGA's members, and the infrastructure they operate provides natural gas now and lower carbon fuels in the future, which broadly support the Administration's climate goals.

Many of our members rely on large financial institutions to lend money that is then used for capital intensive projects, such as implementing new leak detection technology or repairing aging infrastructure. Any policy statement that may lead to higher costs for APGA members to borrow money for these projects, which would help to lower emissions, could ultimately hurt the consumer. Because community-owned natural gas utilities operate as not-for-profits, costs are directly passed to the end user, meaning that a policy statement that too broadly discriminates against an industry large financial institutions do business with might actually result in higher utility bills for consumers, even in communities working to minimize emissions. FDIC's actions could even lead to setbacks for our country's decarbonization goals. Accordingly, APGA encourages FDIC to develop a policy that does not make broad sweeping assumptions that would result in higher banking costs for publicly-owned gas utilities. Misguided policies that put all our energy "eggs in one basket" by mandating electrification are not helpful, as they eliminate Americans' ability to choose the energy source best fit for their needs and budget.

* * *

APGA members play a critical role in delivering Americans the safe, reliable, affordable, and clean energy they need. Accordingly, FDIC's climate principles should not hinder communities, especially those who own and operate their own natural gas utility, from continuing to leverage the existing natural gas distribution workers and fuel delivery infrastructure to meet the climate goals of the current Administration.

We thank you for the review and consideration of these comments. If you have any questions regarding this submission, please do not hesitate to contact us.

² American Gas Association, "Implications of Policy-Driven Residential Electrification," <https://www.aga.org/research/reports/implications-of-policy-driven-residential-electrification>.

Respectfully submitted,



Dave Schryver
President & CEO
American Public Gas Association