

**FOR IMMEDIATE RELEASE****Analyst Contact:** Kenneth Webster | 716-857-7067**Media Contact:** Karen Merkel | 716-857-7654**National Fuel Announces Greenhouse Gas Emissions
Reduction Targets and Emissions Reduction
Pathway for New York Utility Business**

March 29, 2021 – WILLIAMSVILLE, N.Y. – National Fuel Gas Company (NYSE: NFG) (National Fuel or Company) announced today targets for greenhouse gas (GHG) emissions reductions for its utility segment, National Fuel Gas Distribution Corporation (Distribution), and an expansive pathway for its New York utility business to achieve the emissions reduction targets outlined in New York's Climate Leadership and Community Protection Act (Climate Act).

Significant GHG Emissions Reduction Targets for the Company's Utility's Operations

Distribution is targeting GHG emissions reductions of 75% by 2030, and 90% by 2050, from 1990 levels for its utility delivery system, driven by its ongoing modernization efforts, including continued replacement of older vintage mains and services.¹ These targets surpass those set by New York state under the Climate Act, building upon the Company's environmental initiatives detailed in its Corporate Responsibility Report and continuing its progress toward incorporating the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

"Over the past decade, natural gas has played a significant role in decarbonizing the U.S. economy and National Fuel has been a key contributor to those emissions reductions," said David P. Bauer, National Fuel President and Chief Executive Officer. "With our long-standing focus on safe and reliable service, we've made significant investments to modernize our facilities over the past several years. As we look forward, we expect the Company will continue to enhance its environmental initiatives, focusing on further reducing our emissions profile and aligning our climate-related disclosures with the TCFD framework so that National Fuel remains an important part of the energy solution for decades to come."

Emissions Reduction Pathway for the Company's New York Utility Business

National Fuel also issued its pathway to achieve the emissions reduction goals outlined in the Climate Act for its New York utility business, *Pathway to a Low-Carbon Future* (Pathway), developed using the findings of a study performed by Guidehouse Inc., an independent consultancy.

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¹ Baseline emissions and emissions reduction target for scope 1 emissions are calculated pursuant to the reporting methodology under the United States Environmental Protection Agency's GHG Reporting Program (current Subpart W), primarily Distribution pipeline mains and services.

The Guidehouse study, *Meeting the Challenge: Scenarios for Decarbonizing New York's Economy*, assessed the Climate Act's impacts on New York's energy system and communities. The study evaluated scenarios for meeting the state's 2050 GHG emissions reduction goal, focusing on the interplay of energy efficiency, electrification, hybrid heating solutions, and low-carbon fuels to leverage existing utility infrastructure and provide cost-efficient solutions. The study's results can be found at <https://guidehouse.com/insights/energy/2021/scenarios-for-decarbonizing-new-yorks-economy>.

"We believe the best emissions reduction pathway is one that provides both environmental and economic sustainability, allowing the ability to meet the Climate Act's targets while providing delivery system resiliency, integrity and reliability, and offering options for more affordable carbon reduction measures," said Distribution President Donna L. DeCarolis.

"By focusing policy on an 'all-of-the-above' carbon-reduction approach, we can achieve the Climate Act's targets while preserving essential energy delivery reliability and resilience for consumers," added DeCarolis. "This includes doubling-down on energy efficiency, embracing a broad range of energy-agnostic technologies and solutions, and being inclusive of low-carbon options like renewable natural gas, hydrogen, hybrid-heating systems, and carbon capture and storage."

Distribution's Pathway includes four pillars and was developed utilizing the Guidehouse study projections of the most cost-effective approaches to reduce GHG emissions within New York state by the year 2050.

- **Scale Energy Efficiency:** Ample opportunities exist for efficiency in three sectors: transportation, buildings, and industry. To improve efficiencies, Distribution will continue to pursue existing and expanded building shell improvement programs that reduce consumption. To further reduce emissions, Distribution is evaluating hydrogen and other low-carbon solutions, as well as hybrid-heating technology using a high-efficiency gas furnace in concert with an electric air-source heat pump. Also, since its inception in 2008, the Company's Conservation Incentive Program has helped more than 150,000 customers upgrade to higher-efficiency natural gas appliances achieving total emission reductions of approximately 1.3 million metric tons of carbon dioxide (CO₂e).
- **Reduce Utility Emissions:** To meet the Climate Act's goals, Distribution must continue to reduce its GHG emissions. To date, the modernization of Distribution's pipeline network and other infrastructure investments have driven a significant reduction in its GHG emissions, lowering them by over 400,000 metric tons annually – or 62% – since 1990. These modernization efforts are expected to continue in the years ahead, driving additional GHG reductions.

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- *Decarbonize the Energy Source:* Increased reliance on low- and zero-carbon renewable sources is required to achieve the Climate Act's goals. This includes solutions such as renewable natural gas and hydrogen-enhanced natural gas that would use Distribution's existing infrastructure. Using 100% hydrogen systems would provide solutions for industrial processes that are difficult to fully decarbonize. To support its efforts, the Company is an anchor sponsor of the Low-Carbon Resources Initiative (LCRI), a unique collaboration of the Electric Power Research Institute (EPRI) and Gas Technology Institute (GTI) to accelerate the development and demonstration of low-carbon energy technologies. Distribution believes these tools will be critical in developing viable pathways for reducing GHG emissions.
- *Leverage the Existing Energy Delivery System:* Leveraging our existing pipeline system for the delivery of low-carbon energy will be critical to reducing the emissions profile for hard-to-electrify end uses, such as high-temperature industrial processes and heavy-duty trucking, and ensuring that residential customers are not disproportionately burdened with electrification requirements and related costs. Additionally, as natural gas presently provides approximately 94% of the energy used by a typical residence in Western New York on its coldest days, Distribution's highly reliable and weather-hardened pipeline network is expected to serve an essential role in addressing reliability and energy delivery certainty challenges, particularly during severe climate events. (Additional Pathway detail is available at www.nationalfuel.com/corporate/reports-and-resources/.)

"Our focus on modernizing our delivery system has been and continues to be a key element to our emissions reductions," DeCarolis said. "We are dedicated to these investments and to the emissions reduction benefits they provide. Our commitment to system improvement continues to afford substantial benefits to our customers and communities in the form of enhanced safety, resiliency, and reliability, ensuring that we can deliver essential, affordable energy to homes and businesses when it's needed most, particularly during cold weather and major storms."

National Fuel is a diversified energy company headquartered in Western New York that operates an integrated collection of natural gas and oil assets across four business segments: Exploration & Production, Pipeline & Storage, Gathering, and Utility. Additional information is available at www.nationalfuel.com.

National Fuel Gas Distribution Corporation, the Utility segment of National Fuel Gas Company, provides natural gas service to nearly 2 million residents in Western New York and northwestern Pennsylvania.

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