Israel was blessed by significant discoveries of natural gas over the past four years in the deep water off its Mediterranean coasts. The Tamar and the Leviathan gas fields were the largest discovered in the world in the past decade. These discoveries allow Israel to shift its power generation and industry to utilize domestic, cheap and environmentally friendly fuel. The use of gas will benefit the nation to the tune of some $5 billion per annum.

Due to transportation limitations, natural gas is not a commodity, like oil, and its price is set in the regional market in which it is traded. The price of gas in Israel is about half the price of gas in Europe and one-third the price in Japan. Beginning in 2015 the electricity tariffs are expected to decrease by more than 20 percent due to the use of gas, saving households hundreds to thousands of shekels per year in electricity bills.

In fact, Israel’s speed in shifting its electricity production to gas is breaking a world record. From zero gas utilization 10 years ago, when 80% of the country's power was produced by coal and 20% by oil, in 2014 we expect 60% to be produced by gas and only 35% by coal, with solar energy and oil making up the rest.

The industrial sector is also shifting quickly to utilize cheap gas, which provides a comparative advantage to exporters over their international competitors. In addition, hospitals, hotels and households in new neighborhoods and towns will be able to enjoy the benefits of natural gas.

Strategically, reliance on domestic gas lowers Israel’s dependency on imported fuels. It was only two years ago that the Egyptians cut the flow of gas to Israel and Jordan, and Beduin and terrorist groups have blown up the pipeline in Sinai 14 times.

The Jordanians suffered major electricity cuts due to the halt in the flow of gas. The Israelis on the other hand did not sit in the dark as the Israel Electric Corporation was able to shift the power stations to run on costly and polluting diesel and fuel oil instead of gas. This, however, resulted in a surge of 30% in electricity tariffs, since diesel prices are five times higher than natural gas prices.

The Tamar field was commissioned two months ago. The field, located 90 km. offshore from Haifa at a water depth of 1,600 meters, was developed by a consortium of companies led by Houston-based Noble Energy, that has been active in Israel since 1998, together with the Israeli companies of Delek, Isramco and Dor Alon.

This $3.5b. mega-development included drilling five production wells, constructing two parallel, 150 km. pipelines and an offshore gas treatment platform located 20 km. offshore from Ashkelon. From that platform an existing submarine pipeline brings the gas to a receiving terminal in Ashdod.

Exporting gas can enhance regional cooperation and bilateral diplomatic relations between Israel and the target export countries. Preventing or imposing major limitations on natural gas exports will cause an immediate halt in gas exploration; the existing reserves can supply the needs of the domestic market for more than half a century.

The sale of gas to the domestic and export markets will yield revenues to the government in taxation and royalties expected to reach some $80b. to $100b. by 2040. Those sums will be deposited in a national sovereign fund for the benefit of our children and grandchildren, and will also be available to the nation in times of crisis.

Furthermore, the availability of gas can facilitate Israel shifting most of its transportation fleet to gas within 20 years. By the utilization of compressed natural gas (CNG), methanol and plug-in electric vehicle technologies, Israel can demonstrate that it is possible to lower the world’s addiction to oil, thus lowering global dependency on OPEC.

The author, an energy and natural gas expert, is co-CEO of Eco Energy, an Israeli-based strategic and financial consulting firm, and a lecturer at the Interdisciplinary Center Herzliya.