

## Response to IECA Letter of March 1, 2018

The Industrial Energy Consumers of America (IECA)<sup>1</sup> have been trying to block U.S. LNG exports since 2010. IECA's core argument is that America doesn't have enough natural gas to support LNG exports without harming industrial, residential, and other gas consumers. Although this argument has been repeatedly rejected, IECA persists.

On March 1, 2018, for example, IECA sent a letter to Energy Sec. Rick Perry, Commerce Sec. Wilbur Ross, and U.S. Trade Representative Robert Lighthizer calling for a moratorium on U.S. LNG export licenses, arguing that: "The U.S. Department of Energy (DOE) [has approved] LNG export volumes equal to almost 70 percent of 2016 U.S. demand for periods of 20-30 years."<sup>2</sup> IECA goes on to argue that the level of LNG exports approved by DOE could consume 69 percent of all natural gas resources by 2050 in the Lower 48."

Both of the major allegations made by IECA in the March 1 letter are factually incorrect:

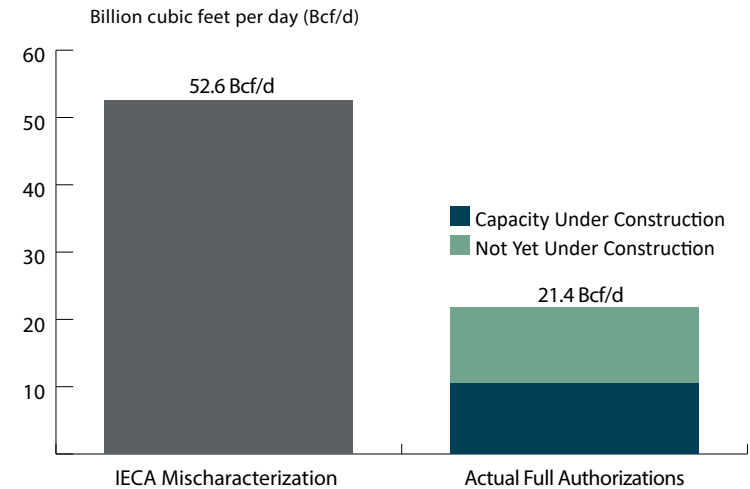
- **DOE has not approved LNG export volumes equal to ≈70% of U.S. natural gas demand.** That would imply DOE approvals of 52.6 billion cubic feet per day (bcf/d). IECA uses the 52.6 Bcf/d figure which applies only to the 18 nations with which we have a free trade agreement (FTA) that includes natural gas. As IECA knows, U.S. LNG projects are built only after full authorizations are issued by DOE, covering all U.S. trading partners (not just FTA nations). **The level of exports fully authorized = 21.4 bcf/d.** (Fig. 1)
- **LNG exports will not consume 69% of all Lower 48 gas resources by 2050.** By IECA's own calculations—based upon Energy Information Administration (EIA) 2018 data—U.S. LNG exports in 2050 are forecast to equal less than 10% of U.S. natural gas consumption. Moreover, EIA sees substantial growth in U.S. natural gas production over the next three decades providing more than enough to meet growing domestic natural gas demand and robust exports. (Fig. 2)

LNG Allies has prepared a series of charts ([www.lngallies.com/charts](http://www.lngallies.com/charts)) based on the EIA's most recent long-term gas production, consumption, and price forecasts (Figs. 3-6). The EIA forecasts show that: (1) U.S. natural gas supplies are growing rapidly; (2) natural gas recovery is becoming ever more cost-efficient; and (3) the impacts of U.S. LNG exports on domestic prices are and will remain negligible. In addition, as illustrated in the study conducted recently by ICF for LNG Allies ([www.lngallies.com/jobs.pdf](http://www.lngallies.com/jobs.pdf)), U.S. LNG exports will add hundreds of thousands of jobs and trillions of dollars to the U.S. economy through 2050.

1. Industrial Energy Consumers of America (IECA) is an ad hoc lobbying group of manufacturers.

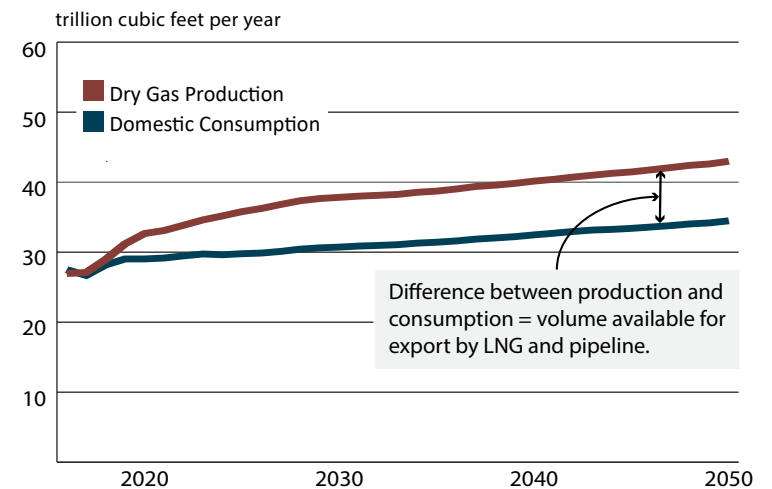
2. IECA, *Letter of Paul N. Cicio*, March 1, 2018. (Accessible from IECA website, [www.ieca-us.com](http://www.ieca-us.com).)

Fig. 1 U.S. LNG Export Levels Authorized by DOE



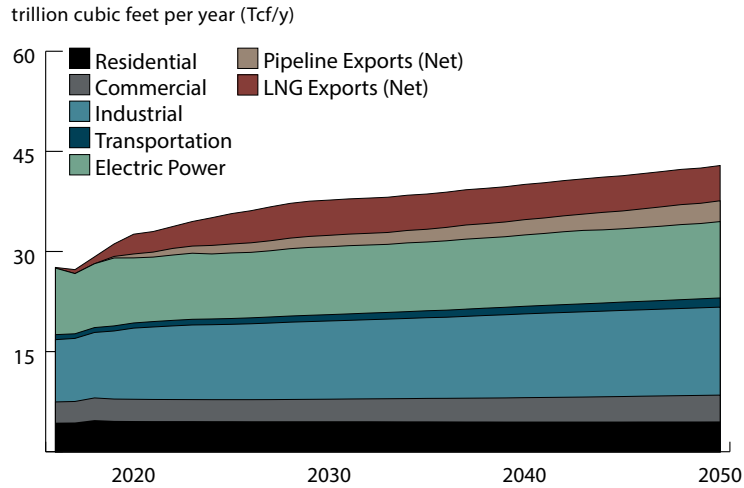
Sources: IECA Letter to Perry, Ross, and Lighthizer (Mar. 01, 2018)  
DOE Testimony to House Energy & Commerce Committee (Jan. 19, 2018)

Fig. 2 U.S. Natural Gas Production & Consumption



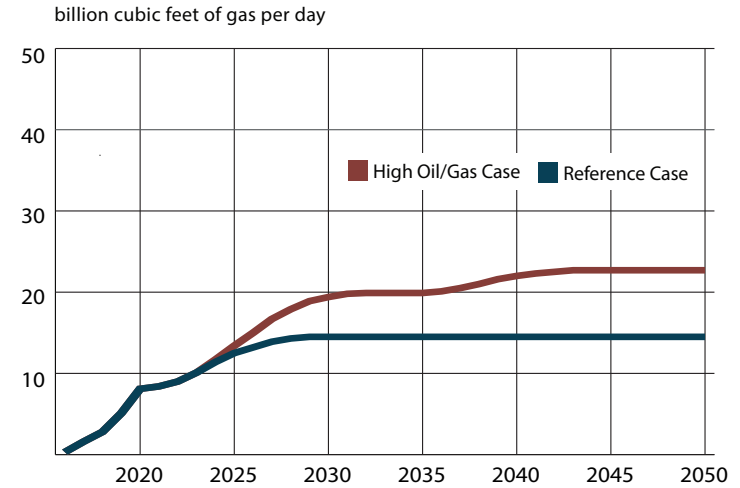
Source: U.S. Energy Information Administration, Annual Energy Outlook 2018 (Reference Case)

**Fig. 3 U.S. Gas Consumption and Exports**



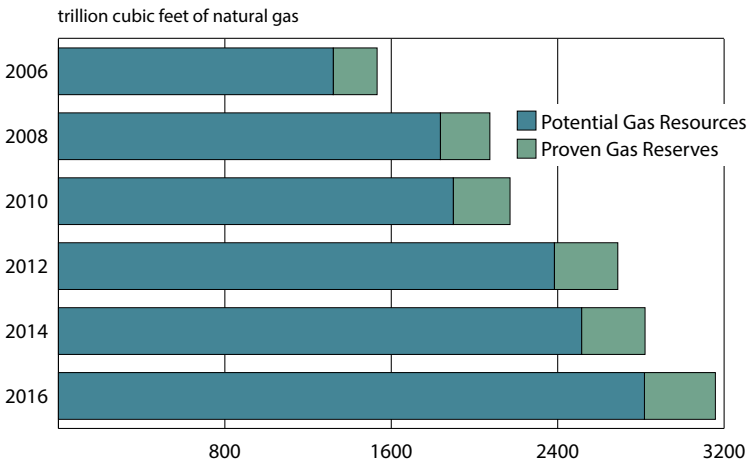
Source: U.S. Energy Information Administration, Annual Energy Outlook 2018 (Reference Case)

**Fig. 4 U.S. LNG Export Levels**



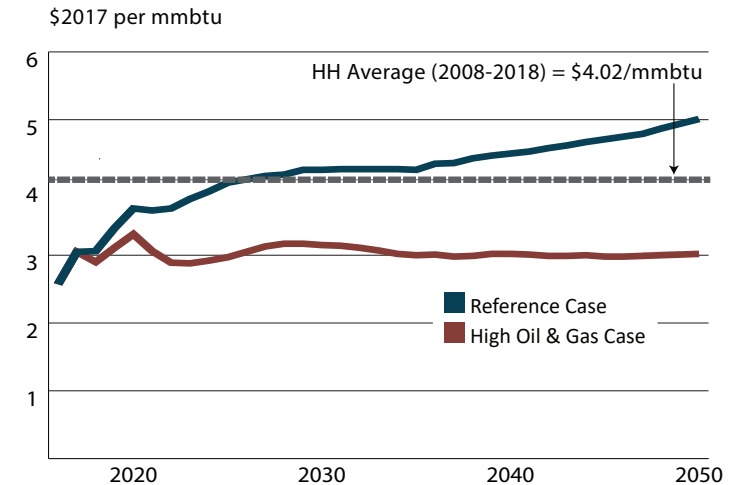
Source: U.S. Energy Information Administration, Annual Energy Outlook 2018

**Fig. 5 Future Supply of U.S. Natural Gas**



Sources: Potential Gas Committee (Potential Gas Resources); EIA Proven Gas Reserves

**Fig. 6 U.S. Natural Gas Price Projections**



Source: U.S. Energy Information Administration, Annual Energy Outlook 2018 (Reference Case)