



PRESS RELEASE

FOR IMMEDIATE RELEASE

January 25, 2024

CONTACT: Marnie Satterfield

(202) 223-1420

msatterfield@ieca-us.org

IECA URGES DOE TO INSULATE THE U.S. MARKET FROM LNG IMPACTS AND PAUSE NEW APPROVALS

WASHINGTON, DC – Today, the Industrial Energy Consumers of America (IECA) sent a [letter](#) to Secretary Jennifer Granholm urging implementation of an LNG Inventory Policy and a pause to approvals of new LNG export volumes.

Paul Cicio, President and CEO of IECA stated:

As LNG exports increase, so do reliability and price risks for the natural gas and electricity markets. The hallmark of a sound and reasoned energy policy is that it should not have a negative impact on domestic consumers of energy. This administration should ensure that its LNG policy protects U.S. consumers from the accelerating risks that come with increased LNG exports. LNG exports have market power over U.S. consumers. Therefore, we urge the Administration to implement the IECA LNG Inventory Policy, which would insulate the U.S. market from much of the risk.¹

The U.S. Department of Energy (DOE) has approved 43.4 billion cubic feet/day (Bcf/d), a volume equal to approximately 54 percent of U.S. net natural gas supply in 2022, which is more than what is needed to supply Europe.

What contributes to this dilemma is that LNG exports are insensitive to the price of U.S. natural gas. Most consumers of LNG are electric and gas utilities and state-owned enterprises (SOEs) of countries that have automatic cost pass through and the responsibility to keep the lights on in their country. Even in the dead of winter, when U.S. prices are higher than normal, they will pay any price, no matter how high, to keep the lights on in their country. *They have market power over domestic consumers.* If U.S. inventories are low, prices of both natural gas and electricity rise.

The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with \$1.1 trillion in annual sales, over 12,000 facilities nationwide, and with more than 1.8 million employees worldwide. It is an organization created to promote the interests of manufacturing companies through advocacy and collaboration for which the availability, use and cost of energy, power or feedstock play a significant role in their ability to compete in domestic and world markets. IECA membership represents a diverse set of industries including: chemicals, plastics, steel, iron ore, aluminum,

¹ IECA LNG Inventory Policy, https://www.ieca-us.com/wp-content/uploads/Policy-Options-to-Insulate-the-US-NG-Market-12_8_23-1.pdf

*paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, consumer goods,
building products, automotive, brewing, independent oil refining, and cement.*