Industrial Energy Consumers of America



The Voice of the Industrial Energy Consumers

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January 31, 2017

The Honorable Donald J. Trump President of the United States The White House 1600 Pennsylvania Avenue, NW Washington, DC 20500

Re: Vacancies at the Federal Energy Regulatory Commission/Implications of LNG Exports

Dear Mr. President:

On behalf of the Industrial Energy Consumers of America (IECA) and its member companies, we urge you to nominate three candidates to fill the vacancies at the Federal Energy Regulatory Commission (FERC) as soon as possible. We are especially concerned about sufficient natural gas pipeline capacity to supply manufacturing facilities going forward. This concern is especially heightened given the significant anticipated volume of LNG exports that will compete with manufacturing pipeline capacity demand.

The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with \$1.0 trillion in annual sales and with more than 1.6 million employees worldwide. IECA membership represents a diverse set of industries including: chemicals, plastics, steel, iron ore, aluminum, paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, building products, automotive, brewing, independent oil refining, and cement.

With the announced resignation of Norman Bay, beginning on February 3, there will only be two sitting commissioners. Since a quorum of three commissioners (out of a full complement of five) is required for most major commission business, this leaves FERC unable to act on pending natural gas pipeline projects.

In some regions of the country, there is insufficient natural gas pipeline capacity to serve the anticipated LNG and Mexico exports and supply U.S. manufacturing and power generation demand. The U.S. Department of Energy (DOE) has given final approval to 16.2 Bcf/day of LNG exports for shipment to non-free trade countries, a significant 21.6 percent increase over 2015 U.S. demand. FERC reports that six of these LNG export facilities are under construction with capacity to export 10.4 Bcf/day. DOE has also given final approval of 49.0 Bcf/day to ship to countries with free trade status or another 65.1 percent of U.S. demand.

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IECA is an important stakeholder because our ability to maintain and increase manufacturing jobs is completely dependent upon an increase in the deliverability of the supply of natural gas.

We thank you for your leadership on this important issue and look forward to working with you.

Sincerely,

Paul N. Cicio President