



## Industrial Energy Consumers of America

*The Voice of the Industrial Energy Consumers*

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February 6, 2018

The Honorable Greg Walden  
Chairman  
Committee on Energy and Commerce  
U.S. House of Representatives  
2185 Rayburn House Office Building  
Washington, DC 20515

The Honorable Frank Pallone  
Ranking Member  
Committee on Energy and Commerce  
U.S. House of Representatives  
237 Cannon House Office Building  
Washington, DC 20515

***Re: Manufacturers Oppose H.R. 4605, the “Unlocking Our Domestic LNG Potential Act”***

Dear Chairman Walden and Ranking Member Pallone:

The stated reason for H.R. 4605 is to “repeal restrictions on the export of natural gas.” In fact, the Natural Gas Act (NGA) provisions that the bill removes have not restricted a single application to export LNG. In short, the bill attempts to solve a problem that simply does not exist.

The attached addendum lists all LNG export applications to both non-free trade agreement (NFTA) countries and free trade agreement (FTA) countries. Please note the column to the far right entitled “DOE Applications Rejected,” which shows that not a single application to export LNG has ever been rejected by the U.S. Department of Energy (DOE). To the contrary, the addendum shows that, to date, a volume equal to 69.8 percent of 2016 U.S. demand has been *approved* for export. Exports of this magnitude cannot possibly be in the public interest. Congress has the responsibility to protect the America public, and we urge you to do so now by opposing the bill.

The bill removes the only consumer safeguard (albeit a weak safeguard) that Congress included in the NGA, which requires the DOE to approve an LNG export application to a NFTA country *unless* it determines that doing so is not in the “public interest.” That provision, which has never served to block an LNG export application to date, represents a safeguard to avoid potential excessive LNG exports in the future, which could increase natural gas and electricity prices, thereby damaging the global competitiveness of the manufacturing sector, along with trillions in capital assets and jobs long-term.

It is short-sighted to remove this safeguard, especially when it has never impeded the approval of a single LNG export application. While we hope that excessive LNG exports will never work to the economic detriment of American manufacturing, we believe it is prudent to retain this safeguard to empower the DOE to take action if that scenario comes to fruition. Removing this consumer safeguard is inconsistent with President Trump’s “America First” pledge.

The stakes are high. The U.S. market is the largest consumer of natural gas in the world with increasing dependency upon a non-renewable energy source, and a one cent increase in natural gas prices costs U.S. consumers \$300 million. The Energy Information Administration (EIA) reports that the spot Henry Hub price of natural gas rose from \$2.51 MMBtu in 2016 to \$3.01 MMBtu in 2017, at a cost of nearly \$14 billion to the U.S. economy.

Finally, the advocates for this bill point to the insertion of the President's authority under the Constitution and the International Emergency Economic Powers Act (IEEPA) as a safeguard. But this provides no relief. One only needs to remember when the NYMEX natural gas prices increased in 1999 from \$3.00 MMBtu to \$9.50 MMBtu in 2008, a 209 percent increase. In that same time period, according to the Bureau of Labor Statistics (BLS), direct manufacturing jobs fell from 17 to 13.5 million. BLS data indicates over 50,000 manufacturing facilities were shutdown. The President did not step in to exercise the IEEPA because the economic damage happened gradually and over a long period of time – not deemed as an “emergency.”

In regards to natural gas producing states, if LNG exports will never increase natural gas prices, then there should be no reason not to keep a safeguard.

In the long-term, if domestic natural gas prices rise to global levels, the U.S. will have lost its competitive advantage. The incentive to invest in the U.S. would be gone and onshoring would stop. We urge you to oppose this legislation. Thank you for your consideration.

Sincerely,

Paul N. Cicio  
President

cc: House Committee on Energy and Commerce  
House Committee on Ways and Means

**ADDENDUM**

**NFTA LNG EXPORT APPLICATIONS**

<b>Terminal</b>	<b>NFTA Capacity (Bcf/d)</b>	<b>NFTA Pending (Bcf/d)</b>	<b>NFTA Conditional Approval (Bcf/d)</b>	<b>NFTA Final Approval (Bcf/d)</b>	<b>DOE Applications Rejected</b>
Sabine Pass Liquefaction, LLC	2.20			2.20	
Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC	1.40			1.40	
Lake Charles Exports, LLC	2.00			2.00	
Carib Energy (USA) LLC	0.04			0.04	
Dominion Cove Point LNG, LP	0.77			0.77	
Jordan Cove Energy Project, L.P.	0.80		0.80		
Cameron LNG, LLC	1.70			1.70	
Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC	0.40			0.40	
Gulf LNG Liquefaction Company	1.50	1.50			
Southern LNG Company, L.L.C.	0.36			0.36	
Golden Pass Products LLC	2.20			2.20	
Cheniere Marketing, LLC and Corpus Christi Liquefaction	2.10			2.10	
CE FLNG, LLC	1.07	1.07			
Commonwealth LNG, LLC	0.19	0.19			
MPEH LLC	3.22	3.22			
Sabine Pass Liquefaction, LLC	0.28			0.28	
Sabine Pass Liquefaction, LLC	0.24			0.24	
Venture Global Calcasieu Pass, LLC	0.67	0.67			
Eos LNG LLC	1.60	1.60			
Barca LNG LLC	1.60	1.60			
Sabine Pass Liquefaction, LLC	0.86			0.86	
Delfin LNG LLC	1.80			1.80	
Magnolia LNG, LLC	1.08			1.08	
Strom Inc.	0.15	0.15			
SCT&E LNG, LLC	1.60	1.60			
Venture Global Calcasieu Pass, LLC	0.67	0.67			
Sabine Pass Liquefaction, LLC	0.56			0.56	
Cameron LNG, LLC	0.42			0.42	
Air Flow North America Corp.	0.002			0.002	
American LNG Marketing LLC	0.008			0.008	
Venture Global Calcasieu Pass, LLC	0.36	0.36			
Cameron LNG, LLC	1.41			1.41	
Floridian Natural Gas Storage Company	0.04			0.04	
G2 LNG LLC	1.84	1.84			
Port Arthur LNG, LLC	1.42	1.42			
Texas LNG Brownsville LLC	0.55	0.55			

Terminal	NFTA Capacity (Bcf/d)	NFTA Pending (Bcf/d)	NFTA Conditional Approval (Bcf/d)	NFTA Final Approval (Bcf/d)	DOE Applications Rejected
Corpus Christi Liquefaction, LLC	1.41	1.41			
Flint Hills Resources, LP	0.01			0.01	
Rio Grande LNG, LLC	3.61	3.61			
Eagle LNG Partners Jacksonville LLC	0.14	0.14			
Venture Global Plaquemines LNG	3.40	3.40			
Carib Energy (USA) LLC	0.004			0.004	
Freeport LNG Expansion, L.P., FLNG Liquefaction, LLC, FLNG Liquefaction 2, LLC, & FLNG Liquefaction 3, LLC	0.34			0.34	
Lake Charles LNG Export Company	0.33			0.33	
Driftwood LNG	4.10	4.10			
Eagle LNG Partners Jacksonville LLC	0.01			0.01	
Fourchon LNG LLC	0.71	0.71			
Galveston Bay LNG, LLC	2.15	2.15			
Freeport LNG Expansion, L.P.	2.14	2.14			
<b>Total by count</b>	<b>49</b>	<b>22</b>	<b>1</b>	<b>28</b>	<b>0</b>
<b>Total by volume</b>	<b>55.5</b>	<b>34.1</b>	<b>0.8</b>	<b>20.6</b>	<b>0</b>
<b>Percentage of 2016 Natural Gas Demand</b>	<b>73.7%</b>	<b>45.3%</b>	<b>1.1%</b>	<b>27.3%</b>	

\*FTA volumes are not additive to NFTA volumes.

Source: Summary of LNG Export Applications of the Lower 48 States, U.S. Department of Energy, <https://energy.gov/fe/downloads/summary-lng-export-applications-lower-48-states>

### FTA LNG EXPORT APPLICATIONS

Terminal	FTA Capacity (Bcf/d)	FTA Pending (Bcf/d)	FTA Approval (Bcf/d)	DOE Applications Rejected
Sabine Pass Liquefaction, LLC	2.20		2.20	
Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC	1.40		1.40	
Lake Charles Exports, LLC	2.00		2.00	
Carib Energy (USA) LLC	0.03		0.03	
Dominion Cove Point LNG, LP	1.00		1.00	
Jordan Cove Energy Project, L.P.	1.20		1.20	
Cameron LNG, LLC	1.70		1.70	
Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC	1.40		1.40	
Gulf LNG Liquefaction Company	1.50		1.50	
SB Power Solutions Inc.	0.07		0.07	
Southern LNG Company, L.L.C.	0.36		0.36	
Golden Pass Products LLC	2.00		2.00	

Terminal	FTA Capacity (Bcf/d)	FTA Pending (Bcf/d)	FTA Approval (Bcf/d)	DOE Applications Rejected
Cheniere Marketing, LLC and Corpus Christi Liquefaction	2.10		2.10	
CE FLNG, LLC	1.07		1.07	
Commonwealth LNG, LLC	0.16		0.16	
Magnolia LNG, LLC	0.54		0.54	
MPEH LLC	3.22		3.22	
Sabine Pass Liquefaction, LLC	0.28		0.28	
Sabine Pass Liquefaction, LLC	0.24		0.24	
Venture Global Calcasieu Pass, LLC	0.67		0.67	
Advanced Energy Solutions, L.L.C.	0.02		0.02	
Argent Marine Management, Inc.	0.003		0.003	
Eos LNG LLC	1.60		1.60	
Barca LNG LLC	1.60		1.60	
Sabine Pass Liquefaction, LLC	0.86		0.86	
Delfin LNG LLC	1.80		1.80	
Magnolia LNG, LLC	0.54		0.54	
Annova LNG Common Infrastructure, LLC	0.94		0.94	
Alturas LLC	0.20	0.20		
Strom Inc.	0.08		0.08	
SCT&E LNG, LLC	1.60		1.60	
Venture Global Calcasieu Pass, LLC	0.67		0.67	
Sabine Pass Liquefaction, LLC	0.56		0.56	
Cameron LNG, LLC	0.42		0.42	
American LNG Marketing LLC	0.008		0.008	
Venture Global Calcasieu Pass, LLC	0.36		0.36	
American LNG Marketing LLC	0.08		0.08	
Cameron LNG, LLC	1.41		1.41	
Floridian Natural Gas Storage Company	0.04		0.04	
G2 LNG LLC	1.84		1.84	
Port Arthur LNG, LLC	1.42		1.42	
Texas LNG Brownsville LLC	0.55		0.55	
Corpus Christi Liquefaction, LLC	1.41		1.41	
Flint Hills Resources, LP	0.01		0.01	
Rio Grande LNG, LLC	3.61		3.61	
Eagle LNG Partners Jacksonville LLC	0.14		0.14	
Venture Global Plaquemines LNG	3.40		3.40	
Lake Charles LNG Export Company	0.33		0.33	
Driftwood LNG	4.10		4.10	
Lloyds Energy Group	1.25	1.25		
Eagle LNG Partners Jacksonville LLC	0.01		0.01	
Fourchon LNG LLC	0.71	0.71		
Galveston Bay LNG, LLC	2.15	2.15		
Freeport LNG Expansion, L.P.	2.14	2.14		
<b>Total by count</b>	<b>54</b>	<b>5</b>	<b>51</b>	<b>0</b>

<b>Terminal</b>	<b>FTA Capacity (Bcf/d)</b>	<b>FTA Pending (Bcf/d)</b>	<b>FTA Approval (Bcf/d)</b>	<b>DOE Applications Rejected</b>
<b>Total by volume: Bcf/day</b>	<b>59.0</b>	<b>6.5</b>	<b>52.6</b>	<b>0</b>
<b>Percentage of 2016 Natural Gas Demand</b>	<b>78.4%</b>	<b>8.6%</b>	<b>69.8%</b>	

\*FTA volumes are not additive to NFTA volumes.

Source: Summary of LNG Export Applications of the Lower 48 States, U.S. Department of Energy,  
<https://energy.gov/fe/downloads/summary-lng-export-applications-lower-48-states>