



PRESS RELEASE

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DOE APPROVES SIXTH LNG EXPORT APPLICATION TO SHIP TO NON-FREE TRADE COUNTRIES USING THREE YEAR OLD DOMESTIC DEMAND DATA THAT UNDERSTATES IMPACTS TO DOMESTIC CONSUMERS

When Congress passed The Natural Gas Act (NGA) and amendments to it, it had the wisdom to develop a safeguard for the American public. Congress understood that shipping too much natural gas offshore could negatively impact domestic consumers. That safeguard has been essentially brushed aside by the U.S. Department of Energy (DOE).

Congress required that before the DOE could approve an application to export LNG to non-free trade countries, it would be required to do an analysis to evaluate whether the U.S. would be negatively impacted. That analysis is called a “public interest determination.”

In its approval of the Cameron LNG export facility today, the DOE analysis used EIA three year old domestic demand data that showed essentially flat domestic demand going forward. In contrast, the EIA AEO 2014 forecasts a rise of 21 percent by 2020, as compared to 2012. Because the DOE is still using three year old demand data, the DOE public interest determination understates the negative economic impacts of exporting increased LNG.

FACTS

1. LNG exports will increase natural gas and electricity prices, and raise reliability concerns.
2. Exports of LNG shift all of the risks and none of the benefits to U.S. consumers.
3. The process used by DOE to decide whether to approve an LNG export application is completely non-transparent. No rulemaking was done to inform decision making to ensure that decisions are not biased.
4. The DOE/EIA demand assumptions understate significant new domestic demands for natural gas.

IECA is not opposed to LNG exports, if it can be shown to be in the public interest. What we are opposed to is the failure of the DOE to fulfill its legal responsibilities and do a public interest determination that fairly and transparently considers how domestic consumers, economic growth, investment, and natural gas and electricity prices will be impacted by increased LNG exports.

The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with \$1.0 trillion in annual sales, over 1,500 facilities nationwide, and with more than 1.4 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: chemical, plastics, steel, iron ore, aluminum, paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, building products, brewing, independent oil refining, and cement.