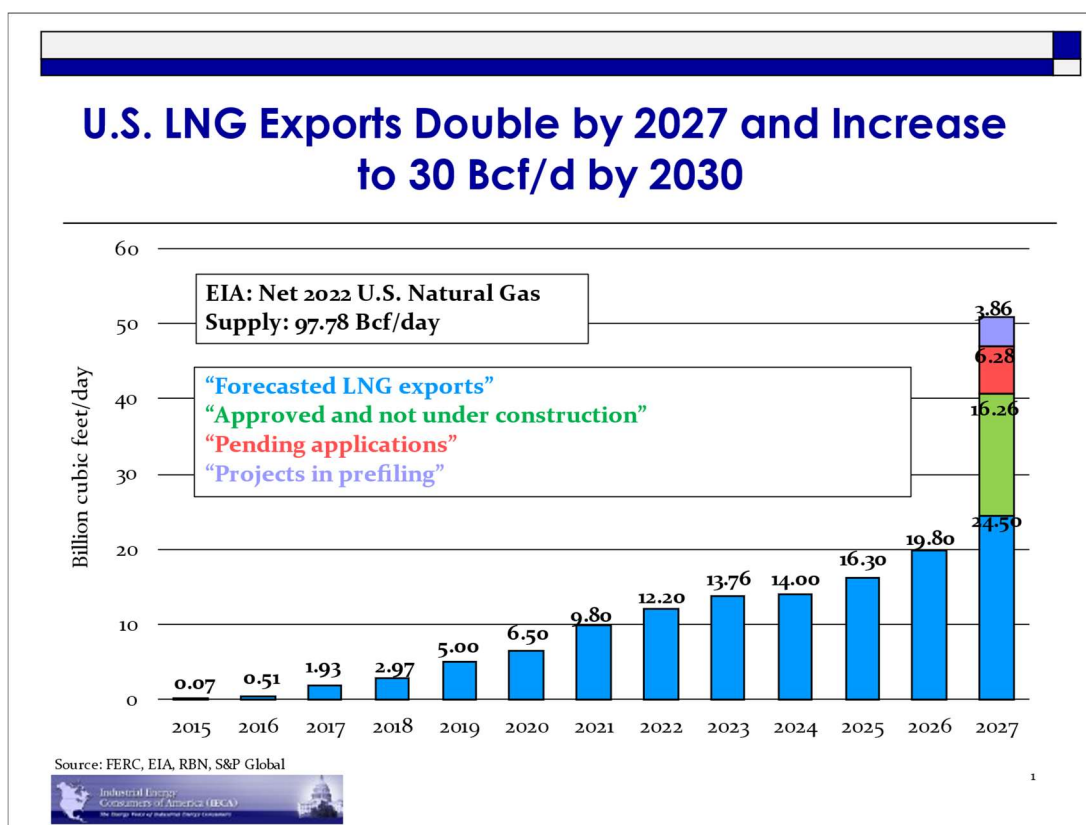


OPPOSE H.R. 1130, THE “UNLOCKING OUR DOMESTIC LNG POTENTIAL ACT OF 2023”

The Industrial Energy Consumers of America (IECA) supports increased domestic production of natural gas, expansion of natural gas pipeline capacity, and LNG exports to our allies.^{1 2}

Manufacturing Companies Oppose H.R. 1130 for the Following Reasons



1. The legislation is not needed to expand LNG exports to support our allies. No application to export LNG has ever been denied by the U.S. Department of Energy (DOE). Export terminals that are operating, under construction, or approved and not under construction is equal to 41.9 Bcf/d and is equivalent to 42 percent of U.S. net 2023 natural gas supply (see figure 1).³ What has already been approved can supply Europe’s entire natural gas demand of 39.0 Bcf/d and 11.6 percent of that is supplied by Norway and Algeria. Only 35 percent of U.S. crude oil is

¹ “Comments for the Record on the “American Energy Expansion: Strengthening Economic, Environmental, and National Security” Hearing,” IECA, January 30, 2023, https://www.ieca-us.com/wp-content/uploads/01.30.23_Comments-for-the-Record_American-Energy-Expansion-Hearing.pdf

² “Manufacturing Companies Face Growing Natural Gas Scarcity Along the Entire Eastern Seaboard,” IECA, December 13, 2022, https://www.ieca-us.com/wp-content/uploads/12.13.22_Transco-Governors-Letter.pdf

³ Annual Energy Outlook 2022, U.S. Energy Information Administration (EIA), <https://www.eia.gov/outlooks/aeo/>

exported. LNG exports will double by 2027. In addition, there is another 10.1 Bcf/d that is either pending or pre-filing.

2. The legislation strips vital consumers protections from the Natural Gas Act (NGA). The bill removes provisions that give the DOE authority to act in the event of unforeseen circumstances that impact the public interest, such as reliability and the price of natural gas.
3. The legislation will increase LNG exports to China. China has signed more contracts with U.S. export projects than any other nation since 2021, according to Bloomberg NEF data.⁴
4. Excessive LNG exports increases reliability and price risk for natural gas and electricity for all domestic consumers and negatively impacts manufacturing competitiveness, economic growth, and national security.

The removed NGA provisions are essential to allow the DOE to act to protect the public interest, especially in the event of unforeseen circumstances which impact reliability, prices, and national security. The NGA provisions have had no impact on slowing down approvals of LNG exports. The removed provisions include:

SECTION. 3

- (a) Mandatory authorization order: After six months from June 21, 1938, no person shall export any natural gas from the United States to a foreign country or import any natural gas from a foreign country without first having secured an order of the Commission authorizing it to do so. The Commission shall issue such order upon application, unless, after opportunity for hearing, it finds that the proposed exportation or importation will not be consistent with the **public interest**. The Commission may by its order grant such application, in whole or in part, with such modification and upon such terms and conditions as the Commission may find necessary or appropriate, and may from time to time, after opportunity for hearing, and for good cause shown, make such supplemental order in the premises as it may find necessary or appropriate.*
- (b) Free trade agreements: With respect to natural gas which is imported into the United States from a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas, and with respect to liquefied natural gas—
(1) the importation of such natural gas shall be treated as a “first sale” within the meaning of section 3301(21) of this title; and (2) the Commission shall not, on the basis of national origin, treat any such imported natural gas on an unjust, unreasonable, unduly discriminatory, or preferential basis.*
- (c) Expedited application and approval process: For purposes of subsection (a), the importation of the natural gas referred to in subsection (b), or the exportation of natural gas to a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas, shall be deemed to be consistent with the public interest, and applications for such importation or exportation shall be granted without modification or delay.*

⁴ China Taking Control of LNG as Global Demand Booms, https://www.bnnbloomberg.ca/china-s-taking-control-of-lng-as-global-demand-booms-1.1885823?utm_source=substack&utm_medium=email

FIGURE 1: U.S. LNG EXPORT TERMINAL STATUS (FERC)⁵

Status	Terminal	Location	Capacity (Bcf/d)
Operating			
	Cheniere/Sabine Pass LNG: Trains 1-6	Sabine, LA	4.55
	Dominion-Cove Point LNG	Cove Point, MD	0.82
	Cheniere-Corpus Christi LNG: Trains 1-3	Corpus Christi, TX	2.40
	Sempra-Cameron LNG: Trains 1-3	Hackberry, LA	2.15
	Southern LNG Company: Units 1-10	Elba Island, GA	0.35
	Freeport LNG Dev/Freeport LNG Expansion/FLNG Liquefaction: Trains 1-3	Freeport, TX	2.38
	Venture Global Calcasieu Pass: Units 1-6	Cameron Parish, LA	1.11
<i>Subtotal</i>			13.76
Approved, Under Construction			
	Venture Global Calcasieu Pass: Units 7-9	Cameron Parish, LA	0.55
	ExxonMobil-Golden Pass	Sabine Pass, TX	2.57
	Venture Global Plaquemines	Plaquemines Parish, LA	3.40
	Driftwood LNG	Calcasieu Parish, LA	3.81
	Cheniere Corpus Christi: Stage III	Corpus Christi, TX	1.58
<i>Subtotal</i>			11.91
Approved, Not Under Construction			
	Lake Charles LNG	Lake Charles, LA	2.27
	Magnolia LNG	Lake Charles, LA	1.19
	Sempra-Cameron LNG: Trains 4 & 5	Hackberry, LA	1.41
	Sempra-Port Arthur LNG: Trains 1 & 2	Port Arthur, TX	1.86
	Freeport LNG Dev: Train 4	Freeport, TX	0.74
	Gulf LNG Liquefaction	Pascagoula, MS	1.50
	Eagle LNG Partners	Jacksonville, FL	0.13
	Texas LNG Brownsville	Brownsville, TX	0.55
	Rio Grande LNG-NextDecade	Brownsville, TX	3.60
	Commonwealth LNG	Cameron Parish, LA	1.21
	MARAD/USCG	Gulf of Mexico	1.80
<i>Subtotal</i>			16.26
Pending Applications			
	Sempra-Port Arthur LNG: Trains 3 & 4	Port Arthur, TX	1.86
	Venture Global CP2: Blocks 1-9	Cameron Parish, LA	3.96
	Venture Global Calcasieu Pass	Cameron Parish, LA	0.06
	Sempra-Cameron LNG Vacate T5 & modify T4	Hackberry, LA	-0.45
	Venture Global Plaquemines	Plaquemines Parish, LA	0.45
	Sempra – EnergíaCosta Azul: Phase 1	Baja California, MX	0.40
<i>Subtotal</i>			6.28
Projects in Pre-Filing			
	Port Fourchon LNG	LaFourche Parish, LA	0.65
	Delta LNG-Venture Global	Plaquemines Parish, LA	2.76
	Cheniere Corpus Christi Midscale: Trains 8-9	Corpus Christi, TX	0.45
<i>Subtotal</i>			3.86
Grand Total			52.07 Bcf/d

⁵ North American LNG Export Terminals – Existing, Approved not Yet Built, and Proposed, Federal Energy Regulatory Commission, Last Updated on January 24, 2023, <https://www.ferc.gov/natural-gas/lng>