



PRESS RELEASE

FOR IMMEDIATE RELEASE

May 20, 2022

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MANUFACTURERS RESPOND TO FERC'S COMMENTS ON THE CAUSE OF HIGHER NATURAL GAS PRICES

Paul Cicio, president and CEO, released the following statements regarding comments made during the Federal Energy Regulatory Commission (FERC) meeting on May 19, 2022.

Chairman Glick is fundamentally correct that the cause of higher natural gas and electricity prices are increased LNG exports, which has reduced national inventories to levels that are 17 percent below a year ago. But for LNG exports, U.S. prices would be about \$3.50 per MMBtu. Henry Hub natural gas prices at \$8.00 per MMBtu equate to a \$122 billion cost increase to consumers, greatly contributing to inflation.

While U.S. inventories are low, EU inventories are in better shape. EU inventories are almost exactly in-line with the 10-year average and above the pre-pandemic 5-year average.

We need to insulate domestic prices from LNG demand. On April 12, 2022, IECA [proposed an LNG Consumer Protection Policy](#) to the U.S. Department of Energy (DOE). Domestic consumers are captive and without alternatives. It is for this reason consumer protections are necessary.

It is frightening to think that the DOE has already approved LNG export volumes equal to 70 percent of net 2021 U.S. production to 2050. Volumes of that magnitude cannot possibly be in the public interest under the Natural Gas Act. Combined LNG and pipeline exports are already about 27 percent of net U.S. production.

The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with \$1.1 trillion in annual sales, over 11,700 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, paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, building products, automotive, brewing, independent oil refining, and cement.