



PRESS RELEASE

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IECA STATEMENT ON NEW DOE PROCESS FOR LNG EXPORT TERMINAL DECISIONS

The Industrial Energy Consumers of America (IECA) cautiously supports the U.S. Department of Energy (DOE) for issuing a new process for LNG export terminal decisions and a new economic study. These decisions are especially important given that the EIA has forecasted the delivered industrial natural gas price to reach \$7.96 per mmBtu in 2025. At these price levels, manufacturing competitiveness is greatly impacted. Already approved applications will vault the U.S. past Qatar as the largest LNG exporter in the world. The difference is that Qatar does not have a substantial manufacturing sector.

The DOE announcement will hopefully increase transparency of the decision making process, and the completion of a new economic study using up-to-date demand and supply information is essential for sound public policy decision making. We urge the new study to compare the economic gains of using natural gas in manufacturing versus exports; to include an accurate assessment of the impact to energy-intensive trade-exposed industries (EITEs); to include the new natural gas demand that will occur due to pending EPA regulations on the electric generating industry; and to include the impact of LNG exports from Canada.

The U.S. should avoid making the same mistakes that were made by Australia, which approved all LNG export facilities without consideration to their domestic consumers. Now, manufacturers are closing their doors there because of high LNG export-induced prices.

“Approval of an LNG export facility are for periods of 20 years or greater, and there is a lot that can happen over that time frame which cannot be anticipated today that could either significantly increase domestic demand or negatively impact supply,” said Paul Cicio, President of the Industrial Energy Consumers of America. “It is for this reason that great caution is needed. Once an LNG export terminal is approved, there is no putting the genie back in the bottle.”

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.