



PRESS RELEASE

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DOE STUDY ON “MACROECONOMIC OUTCOMES OF MARKET DETERMINED LEVELS OF U.S. LNG EXPORTS”

WASHINGTON, DC – The Industrial Energy Consumers of America filed [comments](#) today on the U.S. Department of Energy’s study on “Macroeconomic Outcomes of Market Determined Levels of U.S. LNG Exports.” IECA’s president, Paul Cicio, issued the following statement.

The DOE’s study confirms that excessive volumes of LNG exports to non-free trade agreement (NFTA) countries is not in the public interest under the Natural Gas Act (NGA) and does not comply with the Data Quality Act (DQA). Both are legal issues for the DOE and for LNG export applicants that seek final approval.

The study’s most likely scenario assumes that LNG exports increase up to 30.7 Bcf/d and increase prices up to 117 percent above today’s Henry Hub prices by 2040 and 44 percent above the EIA AEO 2018 price, which assumes only 14.5 Bcf/d of LNG exports. Therefore, LNG exports to NFTA countries of this magnitude are not in the public interest, a violation of the NGA.

The Supreme Court has stated that the principal purpose of the NGA is to ensure “natural gas at reasonable prices.” A 117 percent increase in prices due to LNG exports is in conflict with reasonable prices.

IECA POLICY ON LNG EXPORTS:

IECA is not against LNG exports. We are against excessive LNG exports which would result in U.S. prices being dictated by global demand like crude oil is today. Even though the U.S. is pumping record levels of crude oil, the American public is not benefiting from it. U.S. consumers are paying “global demand” driven pricing.

U.S. LNG export policy should limit LNG volumes to levels where domestic pricing is not determined by global demand. Otherwise, when global demand increases, so will U.S. natural gas prices and U.S. consumers lose the benefit of our nation’s natural gas resources.

The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with \$1.0 trillion in annual sales, over 3,700 facilities nationwide, and with more than 1.7 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.