Industrial Energy Consumers of America (IECA)
The Voice of the Industrial Energy Consumers

PRESS RELEASE

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LNG PURCHASES BY STATE-OWNED ENTERPRISES (SOEs) AND FOREIGN COUNTRY UTILITIES THREATEN ELECTRICITY GRID RELIABILITY, NATIONAL SECURITY, AND MANUFACTURING COMPETITIVENESS

WASHINGTON, DC – Today, the Industrial Energy Consumers of America (IECA) sent a letter to Secretary Rick Perry and Secretary Wilbur Ross on excessive LNG exports impacts and recommendations. The U.S. Department of Energy (DOE) has officially approved LNG export volumes equal to 67 percent of 2018 U.S. demand for periods of up to 30 years and never evaluated whether there is adequate natural gas pipeline capacity at peak demand to supply the domestic and export markets.

"There's absolutely no reason that the federal government should not take action to protect and insulate the U.S. consumer and economy from becoming negatively impacted by excessive LNG exports," according to Paul Cicio who is President of IECA. "It is prudent and in the public interest to put the U.S. consumer's interest first – not last."

The entrance of foreign country entities into the U.S. market changes everything and none of it for the better. When foreign country entities buy or control firm natural gas pipeline capacity, it is serving their country's public interest, not U.S. public interest, and the two are not compatible. Their sole purpose is to serve their country's retail consumers, power generators, and manufacturers. Their consumer demand is competing for our consumer demand and pipelines have a finite through-put capacity.

When global LNG demand exceeds global supply, these entities have market power to buy natural gas at any price to keep their countries operating. If needed, they will easily outbid U.S. consumers for natural gas.

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.