

United States Senate

WASHINGTON, DC 20510

September 21, 2016

The Honorable Ernest Moniz
Secretary
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Dear Secretary Moniz:

We write to express our serious concerns regarding the U.S. Department of Energy's (DOE) approval of large volumes of liquefied natural gas (LNG) exports. We appreciate you considering questions we raised in the past and your willingness to have an ongoing dialogue about these issues, but respectfully request that the DOE slow its approval process until more terminals are operating and the impacts of LNG exports can be evaluated.

The DOE has approved a substantial volume of LNG exports and continues to do so at an alarming rate. As required by the Natural Gas Act, the DOE must ensure the public interest of each project. As of August 2016, the DOE has approved 18 export applications to non-Free Trade Agreement (non-FTA) countries totaling 14.44 billion cubic feet per day (bcf/d), or nearly 20 percent of 2015 domestic dry natural gas production. The DOE has also conditionally approved another 0.8 bcf/d for non-FTA countries. Including applications that have been approved for export to FTA countries, which the DOE automatically approves, authorized LNG exports total 49.19 bcf/d, or more than 60 percent of 2015 production. This total does not even include the natural gas that the U.S. exports to Canada and Mexico by pipeline.

We have several reservations about this high volume of approved LNG exports, many of which we have raised in the past. Specifically, we are concerned that LNG exports will increase domestic natural gas prices, which would:

- **Disproportionately harm domestic industries** like the agricultural, electricity, and paper, pulp, and primary metal manufacturing sectors that will suffer from higher natural gas and electricity prices.
- **Increase the price of energy for U.S. families**, which would be especially damaging for low-income households that expend a higher percentage of their income on energy bills. Many households use natural gas for heating and cooking, and in 2015, about one-third of all U.S. electricity was generated using natural gas.
- **Disproportionately harm states** or regions of the country that do not produce large amounts of natural gas.

Given these concerns, as well as the pace at which the DOE has approved applications thus far, we would appreciate your response to the following questions:

- How does the DOE take into account potential volumes to FTA countries, as the agency reviews applications for exports to non-FTA countries?

- How does the DOE address uncertainty in the natural gas market in the agency's analyses of the impacts of LNG exports? Less than a decade ago, the U.S. was planning to import large volumes of LNG, and today the DOE is approving contracts to export substantial volumes of LNG. While domestic natural gas prices are currently low, as we've seen in the past, they could rise and cause hardship for domestic consumers.
- How will LNG exports impact the relative competitiveness of U.S. industries? Exports will likely not only raise domestic natural gas and electricity prices, but will likely also lower prices for foreign competitors.
- Does the DOE have the authority to withdraw approved applications, if the agency subsequently determines that LNG exports are no longer in the interest of the U.S. public? Is yes, under what circumstances would the DOE rescind approval? If no, is this something the DOE is considering as the agency approves new projects?

Finally, we are concerned that the DOE does not sufficiently consider climate change when reviewing LNG export applications, which could undermine our ability to meet international goals agreed to in Paris. The newly finalized National Environmental Policy Act (NEPA) guidance from the White House asks agencies to consider effects of global climate change. How is the DOE planning to include this guidance in its reviews when considering whether an application is in the public interest?

We ask that the DOE slow its approval process until the full impacts of currently approved exports are realized. In total, more than 60 percent of 2015 natural gas production has been approved for export, but only a small fraction of that has actually been exported to date. We believe it would be prudent for the DOE to first evaluate the impacts of approved projects, especially as new export terminals come online, before approving additional LNG exports. We look forward to working with you on this important issue.

Sincerely,



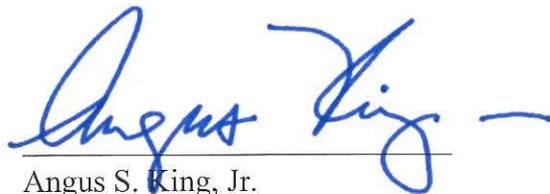
Al Franken
United States Senator



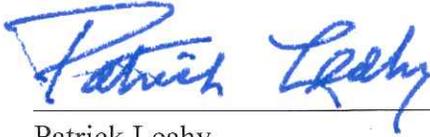
Debbie Stabenow
United States Senator



Edward J. Markey
United States Senator



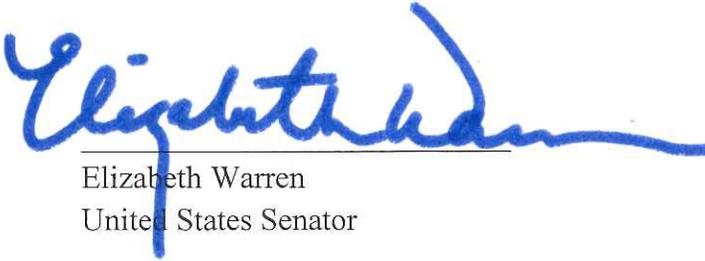
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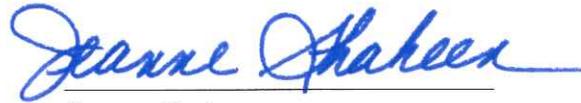
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