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

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April 24, 2025

The Honorable Brett Guthrie
Chairman
House Committee on Energy and Commerce
Washington, DC 20515

The Honorable Frank Pallone
Ranking Member
House Committee on Energy and Commerce
Washington, DC 20515

Re: Manufacturers Oppose H.R. 1949, the Unlocking our Domestic LNG Potential Act of 2025

Dear Chairman Guthrie and Ranking Member Pallone:

On behalf of our member companies, the Industrial Energy Consumers of America (IECA) strongly oppose H.R. 1949, the Unlocking our Domestic LNG Potential Act of 2025. H.R. 1949 is anti-consumer and inconsistent with the intent of Congress to deliver affordable and reliable natural gas and electricity. The stakes are high. For every one dollar increase in the Henry Hub natural gas price, consumers pay on average $34 billion more for natural gas and $20 billion more for electricity, or $54 billion annually.[1] One hundred percent of our member companies are from the manufacturing sector.

First, H.R. 1949 removes the long-standing Natural Gas Act (NGA) consumer protection provision that requires the U.S. Department of Energy (DOE) to evaluate whether applications to export to non-free trade agreement (NFTA) countries are inconsistent with the public interest. Approximately 80 percent of all LNG exports are to NFTA countries. Under this provision, the DOE is required to evaluate, among other things, whether an application to export to NFTA countries impacts the public interest, which includes impacts to domestic prices of natural gas, electricity, and reliability. H.R. 1949 eliminates DOE authority and oversight and gives FERC an exclusive authority and mandates that FERC "shall deem the exportation and importation of natural gas to be consistent with the public interest."

[1] Natural Gas, U.S. Energy Information Administration (EIA), https://www.eia.gov/naturalgas/

Second, the DOE has already approved very significant volumes to NFTA countries, which equals 57.9 percent of 2024 net supply.[2] The Energy Information Administration (EIA) forecasts LNG exports to increase 92 percent by 2027 (see Figure 1). For perspective, the U.S. only exports 10 percent of its gasoline. For crude oil we export 1,504,021 thousand barrels annually, while importing 2,411,293 thousand barrels, for a net import of 18.8 percent of production.[3]

Third, LNG customers are countries who will pay any price to keep the lights on in their country. They are insensitive to price. No matter how high U.S. prices will go, they will buy away our natural gas even when our winter inventories fall and prices rise. The LNG 20-year contracts shift supply and price risk from LNG buying countries to U.S. consumers and the economy. No U.S. entity has 20-year contracts, not even electric utilities.

Fourth, EIA data proves that LNG export volumes are highest during our winter peak heating season months of November through February, which accelerates a reduction in U.S. inventory, increasing the prices of U.S. natural gas and electricity and reducing reliability. The severity of the problem increases as export capacity increases (see Figure 2).

As manufacturers who compete with China and are price sensitive, Chinese company LNG contracts represent 36.8 percent of U.S. LNG operating capacity.[4] We believe that U.S. consumers should be a priority over LNG customers, but LNG contracts flip the priority.

We need Congress to protect U.S. consumers and the economy – not LNG exports. We ask that you oppose H.R. 1949 and urge the DOE to implement a policy to insulate U.S. consumers from the impacts of LNG exports. IECA has proposed the "America First LNG Inventory Policy" as a policy solution.[5]

Sincerely,

Paul N. Cicio
Paul N. Cicio

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[2] Summary of LNG Export Applications of the Lower 48 States, U.S. Department of Energy, https://www.energy.gov/fecm/articles/summary-lng-export-applications-lower-48-states
[3] Petroleum & Other Liquids, U.S. Energy Information Administration (EIA), https://www.eia.gov/petroleum/
[4] China LNG Contracts with U.S., https://www.ieca-us.org/wp-content/uploads/11.13.24_China-US-LNG-Contracts.pdf
[5] America First LNG Inventory Policy, Industrial Energy Consumers of America, https://www.ieca-us.org/wp-content/uploads/04.22.25_LNG-Inventory-Policy-to-Insulate-the-US-Market-from-LNG-Export-Impacts_FINAL.pdf

President & CEO

cc: House Committee on Energy and Commerce

The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with $1.3 trillion in annual sales, over 12,000 facilities nationwide, and with more than 1.9 million employees. One hundred percent of IECA members are manufacturing companies whose competitiveness is largely determined by the cost and reliability of natural gas and electricity. IECA's sole mission is to reduce and avoid energy costs and increase energy reliability through advocacy in Congress and regulatory agencies, such as the Federal Energy Regulatory Commission (FERC). IECA membership represents a diverse set of industries including chemicals, plastics, steel, iron ore, aluminum, paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, consumer goods, building products, automotive, independent oil refining, and cement.

Figure 1

LNG Exports Increase 92% by 2027

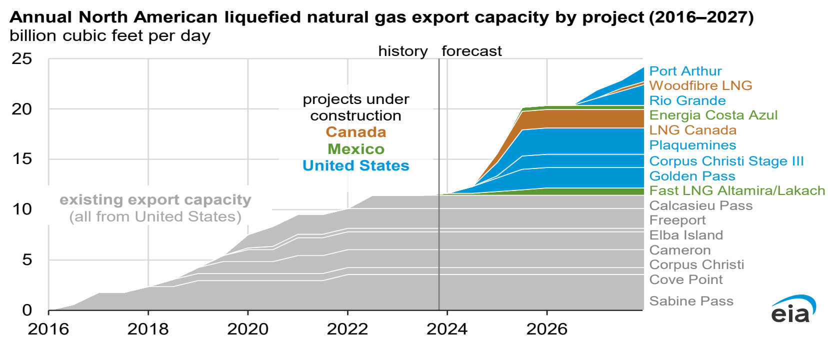

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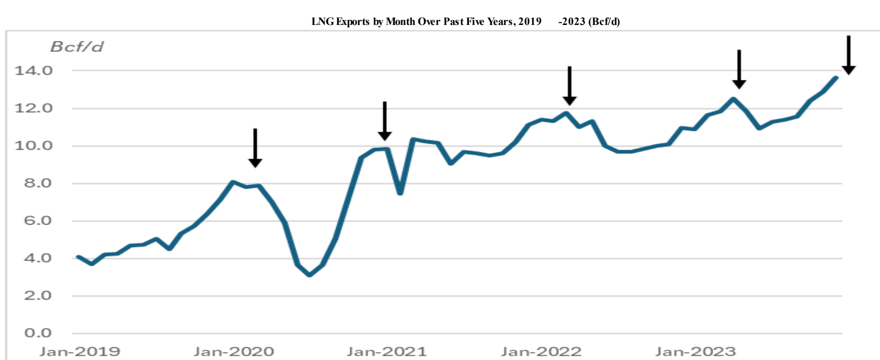
Figure 2

LNG Exports are Highest During Winter Months Which Increases Natural Gas and Electricity Prices (EIA)



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