Industrial Energy Consumers of America (IECA)

The Voice of the Industrial Energy Consumers

PRESS RELEASE

FOR IMMEDIATE RELEASE **CONTACT:** **Marnie Satterfield**
July 30, 2024 (202) 223-1420
msatterfield@ieca-us.org

MANUFACTURING NATURAL GAS CONSUMERS OPPOSE TITLE VI: LIQUEFIED NATURAL GAS EXPORTS

S. 4753, The Energy Permitting Reform Act of 2024

WASHINGTON, DC – The Industrial Energy Consumers of America (IECA) sent a letter to the Senate Committee on Energy and Natural Resources on S. 4753, the Energy Permitting Reform Act of 2024 in opposition to Title VI on LNG Exports.

Paul N. Cicio, President of IECA, made the following statement today:

> Title VI will result in carte blanche approvals of all LNG export requests due to the mandated use of macroeconomic models that cannot model short-term issues that impact prices. For example, LNG export's highest demand is during the winter months. As additional LNG capacity is added, the winter LNG export peak demand increases putting upward pressure on domestic prices. Models also cannot account for when there is very cold (Uri) or very hot weather which draws down inventory levels that increase prices, insufficient pipeline capacity to serve both the domestic market and LNG exports (a current problem) and short-term decreases in production (production declined in 3 of the last 9 years).[1] All increase prices.
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> The U.S. Department of Energy (DOE) has already approved volumes equal to 48 percent of the 2023 net supply[2] of natural gas, which is a very significant volume. In 2023, only 31 percent of U.S. crude oil production was exported.[3]
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> There are 75 of 127 million households and over 300,000 factories[4] that use natural gas and do not have an alternative. Unlike gasoline, it cannot be imported if prices increase. Government officials **have a responsibility to protect captive consumers.**
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> Increasing export capacity increases the risk that the U.S. price will become attached to the much higher global price, like crude oil is today. This is the unstated goal of the oil and gas industry because when that happens, the price of natural gas in the U.S.

[1] Production, Natural Gas, U.S. Energy Information Administration, https://www.eia.gov/dnav/ng/ng_prod_sum_a_EPG0_FPD_mmcf_a.htm
[2] LNG, Federal Energy Regulatory Commission, https://www.ferc.gov/natural-gas/lng
[3] Petroleum & Other Liquids, U.S. Energy Information Administration, https://www.eia.gov/petroleum/
[4] U.S. Bureau of Labor Statistics, https://www.bls.gov/

increases and their profitability increases by tens of billions per year at the expense of all residential, commercial, and industrial consumers of natural gas in the U.S.

There are 39 states that do not produce sufficient volumes of natural gas to supply their state's demand and all can be impacted by surging LNG exports.[5]

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 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, consumer goods, building products, automotive, independent oil refining, and cement.

[5] 39 States are Dependent Upon Supply of Natural Gas from Other States – Will be Impacted by LNG Exports, https://www.ieca-us.org/wp-content/uploads/State-Natural-Gas-Consumption-vs-Production_02.02.23.pdf