



PRESS RELEASE

FOR IMMEDIATE RELEASE
December 17, 2024

CONTACT: Marnie Satterfield
(202) 223-1420
msatterfield@ieca-us.org

MANUFACTURERS AGREE WITH DOE LNG EXPORT STUDY

LNG EXPORTS INCREASE RELIABILITY AND PRICE RISKS FOR U.S. CONSUMERS

WASHINGTON, DC – The Industrial Energy Consumers of America (IECA) agree with the economic assessment made by the U.S. Department of Energy (DOE) LNG export study released today. It is not surprising that the study finds that between 2020 and 2050, overall energy costs for the industrial sector will go up \$125 billion and lead to inflationary impacts.

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

DOE has already approved 48.85 billion cubic feet per day (Bcf/d) of LNG exports, a volume equal to 50.5 percent of 2023 net supply and substantially more than exports of gasoline and crude oil. The U.S. only exports 10 percent of its gasoline. As of December 6, 2024, the U.S. exports only 23 percent of crude production and imports an equivalent of 44 percent of production.¹ For crude and gasoline, the U.S. has a Strategic Petroleum Reserve. There is no equivalent for natural gas. Consumers are completely exposed.

LNG exports:

- Exacerbate structural reliability and price volatility risks for U.S. natural gas and electricity markets, especially when U.S. inventories are below normal, which occurs about 51 percent of the time.
- Increase the risk of connecting U.S. natural gas prices to higher global prices. This is the goal of the natural gas industry and results in raising the U.S. price of natural gas, the world's large natural gas market.
- Import global market volatility – a phenomenon that the U.S. market has been insulated from historically.
- The LNG export 25-year contracts reduce our energy independence and shifts supply and price risk from LNG buying countries to U.S. consumers, supply chains, and national security.
- LNG export shipments are the highest in the winter months when we have our highest winter heating demand and put upward pricing pressure on natural gas and electricity prices.
- LNG consumers are countries who will pay any price, no matter how high, to get natural gas to keep the lights on in their countries. They are insensitive to price.

¹ Table 1. U.S. Petroleum Balance Sheet, Week Ending 12/6/2024, U.S. Energy Information Administration, <https://www.eia.gov/petroleum/supply/weekly/pdf/table1.pdf>

- The more we export the more vulnerable the U.S. economy becomes, which will directly impact the competitiveness of the U.S. manufacturing sector.

According to the DOE,² China has 34 long-term contracts, more than any other country, most of which are for 20 or 25 years, which is equal to 5.32 Bcf/d and is equal to 36.8 percent of U.S. operating LNG export capacity.³

The Industrial Energy Consumers of America (IECA) urges the DOE and Congress to put in place a policy to insulate the U.S. from the negative impacts of increased LNG exports. Our recommended policy is an LNG Inventory Policy that is an America First policy.⁴

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.

² Long-term Contract Information and Registrations, U.S. Department of Energy, <https://www.energy.gov/fecm/articles/long-term-contract-information-and-registrations>

³ China's U.S. LNG Contracts Equals 36.8 Percent of U.S. LNG Operating Export Capacity, https://www.ieca-us.org/wp-content/uploads/11.13.24_China-US-LNG-Contracts.pdf

⁴ IECA LNG Inventory Policy, https://www.ieca-us.com/wp-content/uploads/02.05.24_LNG-Inventory-Policy.pdf