

United States Senate

WASHINGTON, DC 20510

February 17, 2022

The Honorable Jennifer Granholm
Secretary, U.S. Department of Energy
Forrestal Building
1000 Independence Avenue, SW
Washington, D.C. 20585

Dear Secretary Granholm:

We are concerned by recent attempts to restrict liquefied natural gas (LNG) exports from the United States to our European allies amid rising tensions caused by Russia. Specifically, the misguided request made by several of our colleagues in a February 2nd letter runs counter to ongoing efforts to assist our allies in pivoting their energy supply chains away from Russia.¹

It is troubling the Northeast continues to see elevated natural gas prices in the winter months, but the reason for this is a lack of pipeline capacity. Support for the expansion of pipelines to increase supply into the Northeast would help solve price spikes in the region during periods of peak demand. In fact, the Energy Information Administration (EIA) recently reported several power plants that burn fuel oil had to be reactivated in January to help meet demand, due to natural gas pipeline constraints.² Obstructing new LNG exports could also have the unintended effect of increasing global LNG prices, which would correlate to increased energy costs for customers in the United States, especially in the Northeast.

Our country has vast natural gas resources that provide critical fuel for electricity, home heating and manufacturing both at home and abroad. Prior to the onset of the COVID-19 pandemic, natural gas production had risen each year since 2015³, far exceeding domestic consumption.⁴ And while the EIA has said proven reserves⁵ of natural gas declined in 2020, EIA expects operators to report an increase of proven reserves and discoveries for 2021.⁶ In addition, EIA's most recent Short Term Energy Outlook projects U.S. natural gas prices will decline over the next two years even as LNG exports increase.⁷

The Department of Energy has studied the economics and effects of U.S. LNG exports on the U.S. economy and energy markets on five separate occasions.⁸ The results show U.S. LNG exports are beneficial to the United States.

¹ <https://www.cnn.com/2022/02/03/energy/natural-gas-export-limit/index.html>

² <https://www.eia.gov/todayinenergy/detail.php?id=51158>

³ https://www.eia.gov/dnav/ng/ng_prod_sum_a_EPG0_FGW_mmcf_a.htm

⁴ https://www.eia.gov/naturalgas/monthly/pdf/ngm_all.pdf

⁵ Proved reserves are the volumes of natural gas that can be recovered under existing economic and operating conditions rather than what is technologically recoverable – which includes all the natural gas that can be produced based on current technology, industry practice, and geologic knowledge. Proved reserves does not reflect how much natural gas the U.S. has.

⁶ <https://www.eia.gov/naturalgas/crudeoilreserves/>

⁷ <https://www.eia.gov/outlooks/steo/report/>

⁸ The first study, *Effect of Increased Natural Gas Exports on Domestic Energy Markets*, was performed by the U.S. Energy Information Administration (EIA) and published in January 2012. The second study, *Macroeconomic Impacts of LNG Exports*

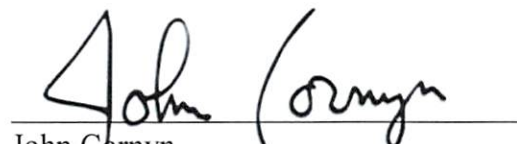
Geopolitically, NATO member states and countries such as South Korea and Japan rely on the relative certainty associated with the U.S. LNG regulatory model. Any effort to halt or slow-walk LNG export licenses or the issuance of guidance documents such as those published by the Treasury⁹ and State¹⁰ Departments, fundamentally undermines this certainty, impacting domestic and global markets for U.S. LNG investments. It also does not resolve the issue of high prices, which are being caused by limited pipeline capacity and worsening inflation. We encourage your department to issue non-free trade agreement export licenses in a timely manner to ensure the global market continues to view U.S. LNG as a dependable source of energy and a reliable alternative to strategic competitors like Russia.

Increased production and export volumes of U.S. natural gas encourage developing nations to use a cleaner fuel source. Investing in domestic oil and gas production creates U.S. jobs. It lowers domestic and global emissions. It also increases U.S. energy security and makes us essential to the energy security of others. We ask that you please consider these factors in your ongoing efforts to facilitate the supply of energy commodities to our allies and partners, while simultaneously securing clean and reliable energy domestically.

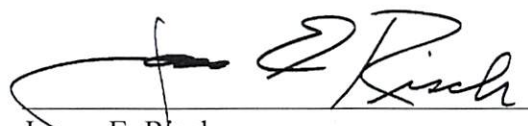
Sincerely,


Bill Cassidy, M.D.
United States Senator


John Thune
United States Senator


John Cornyn
United States Senator


John Barrasso
United States Senator


James E. Risch
United States Senator


Roger Marshall, M.D.
United States Senator

from the United States, was performed by NERA and published in December 2012. The third study, *Effect of Increased Levels of Liquefied Natural Gas Exports on U.S. Energy Markets*, was performed by EIA and published in October 2014. The fourth study, *The Macroeconomic Impact of Increasing U.S. LNG Exports*, was performed jointly by the Center for Energy Studies at Rice University's Baker Institute and Oxford Economics and published in October 2015. The fifth study—subject to this Notice—the 2018 LNG Export Study was performed by NERA.

⁹ <https://home.treasury.gov/system/files/136/Fossil-Fuel-Energy-Guidance-for-the-Multilateral-Development-Banks.pdf>

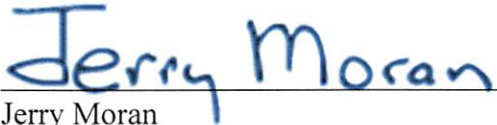
¹⁰ <https://energyworkforce.org/wp-content/uploads/2021/12/Interim-International-Energy-Engagement-Guidance-2021-12-10.pdf>



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United States Senator



James M. Inhofe
United States Senator



Jerry Moran
United States Senator



Kevin Cramer
United States Senator



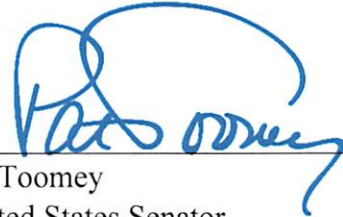
Shelley Moore Capito
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Marco Rubio
United States Senator



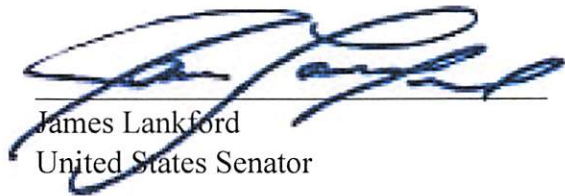
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Pat Toomey
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United States Senator



James Lankford
United States Senator



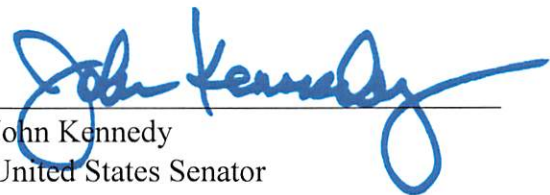
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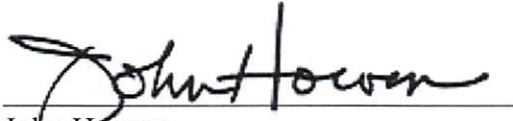
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John Boozman
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Tommy Tuberville
United States Senator



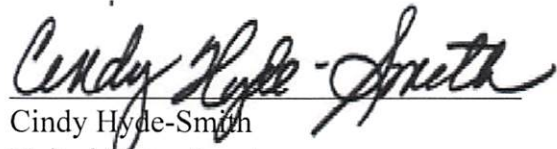
John Hoeven
United States Senator




Ted Cruz
United States Senator



Roger F. Wicker
United States Senator



Cindy Hyde-Smith
United States Senator



Rick Scott
United States Senator

CC: Antony Blinken, Secretary United States Department of State
Janet Yellen, Secretary United States Treasury Department