

February 6, 2023

The Honorable Jeff Duncan
Chairman
Subcommittee on Energy, Climate & Grid Security
U.S. House of Representatives
Washington D.C. 20515

The Honorable Diana DeGette
Ranking Member
Subcommittee on Energy, Climate & Grid Security
U.S. House of Representatives
Washington D.C. 20515

Dear Chairman Duncan and Ranking Member DeGette:

On behalf of the [Center for LNG](#) (CLNG), I am writing to provide comments to the U.S. House of Representatives Subcommittee on Energy, Climate, & Grid Security's hearing "Unleashing American Energy, Lowering Energy Costs, and Strengthening Supply Chains."

Commodity prices have risen around the globe, but because the United States is the world's largest natural gas producer, U.S. natural gas prices have increased less than other countries. Due to this advantage, our consumers and businesses have been more sheltered from higher natural gas prices than the rest of the global economy.

Natural gas prices are driven by multiple factors that affect both supply and demand, including weather, natural gas storage levels, changes in industrial demand, and the impact of global events on LNG exports and the U.S. economy. While the European energy crisis has created high demand for U.S. LNG, keep in mind that LNG export volumes represent only about 10% of the total winter market demand for natural gas domestically. Not only are LNG exports one of the smallest natural gas customer sectors compared to residential, electric or industrial demand, the volume of LNG exports is a fairly predictable number that increases very gradually since there are just over a handful of U.S. LNG export facilities.

LNG export terminals take 6-10 years from start to in-service, which gives natural gas producers plenty of time to prepare for the increased demand. The future supply of natural gas is abundant, and estimates are brightened with successive assessments of the resource base. In fact, current LNG exports represent less than 1% of U.S. proven reserves of natural gas and about 0.001% of the total estimated U.S. natural gas resource base. Further, LNG exports provide multiple benefits to domestic consumers, such as their key

role in incentivizing production across the country and increasing household purchasing power.

In response to domestic demand for natural gas, producers responded with record levels of natural gas production in November and December of 2022, a 4% increase winter-over-winter. These increases, along with a mild winter, have already helped to ease market conditions as more supply flows into the market. The [Energy Information Administration](#) (EIA) recently projected that 2023 natural gas prices will average 24% less than 2022. This is a classic example of supply and demand leveling the playing field without government intervention.

LNG exports will continue to stabilize the domestic market and incentivize U.S. natural gas production, which in turn generates billions of dollars in new investments that [benefit local communities, produce tax revenues and support jobs, including those in manufacturing](#). These jobs number in the thousands during construction and in the tens of thousands throughout the supply chain during operations. Furthermore, our exports help to fund national and international efforts to reduce emissions, with members investing billions in low-carbon and no-carbon solutions.

Globally, these same exports support our allies' efforts to reach net-zero emissions, allowing them to generate electricity with natural gas, rather than higher-emitting energy sources. Most importantly, U.S. LNG is necessary for our allies in Europe to replace Russian natural gas, as well as to help all our trading partners get closer to their COP27 and Paris Accord climate goals.

We are world leaders in natural gas and LNG exports. They support our economy and emission-reductions goals, while enhancing the national security of the United States and that of our allies. Hyperbole and fear have no place in energy policy discussions and limiting future LNG exports will only have a negative impact on the United States and our trade partners.

CLNG appreciates your leadership as well as that of many of your colleagues who continue to recognize the role natural gas and LNG play in reducing emissions across the globe, while also realizing the economic benefits natural gas creates here at home. We particularly want to commend Representative Johnson for his continued leadership in promoting LNG exports and the many benefits they bring.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Hall", is written below the text.



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The Center for Liquefied Natural Gas (CLNG) advocates for public policies that advance the use of liquefied natural gas (LNG) in the United States, and its export internationally. A committee of the Natural Gas Supply Association (NGSA), CLNG represents the full LNG value chain, including LNG producers, shippers, terminal operators and developers, providing it with unique insight into the ways in which the vast potential of this abundant and versatile fuel can be fully realized. For more information, please visit www.lngfacts.org.