<u>APGA Responses to QFR</u>

The Honorable Gene Green

Mr. Schryver, in your testimony, you state that the U.S. will give up on the manufacturing renaissance premised on low prices of domestic natural gas. You cite an article in the New York Times that includes a South African investment to build a Gas-To-Liquids Plant in Louisiana. This particular plant will cost approximately $14 billion dollars.

1. Do you believe that this firm relied solely on the NERA study commissioned by DOE? The CEO of the South African company stated that the plant becomes uneconomical when U.S. natural gas prices exceed $8 dollars per million BTU.

Thank you for the question, Representative Green. APGA has no affiliation with Sasol, the South African company that you referenced, nor has anyone at APGA spoken with Sasol about its proposed gas-to-liquids plant in Louisiana. Unfortunately we have no information regarding whether Sasol "relied solely on the NERA study commissioned by DOE" to make its decision to build its facility.

The Honorable Gene Green

2. Do you believe that companies would invest $14 billion dollars to build a new facility without forecasting potential natural gas price increases?

Thank you for the question, Representative Green. Unfortunately APGA has no information regarding whether or not "companies would invest $14 billion to build a new facility without forecasting potential natural gas price increases." Based on the studies that APGA has seen, LNG export will increase the price of natural gas and the impact of the increase will be felt by residential, commercial and industrial consumers.

The Honorable Gene Green

In Texas, we are building *5* new crackers at the cost of $1 billion per unit.

3. Do you believe that these companies relied on the NERA study or would invest $1 billion dollars without forecasting potential price increases?

Thank you for the question, Representative Green. APGA unfortunately has no information regarding whether the companies that are building "5 new crackers" relied on the NERA study. However, what we do know from the NERA study and every other study forecasting the impact of large-scale export of LNG, is that if Congress chooses expedites exports as the modified version of H.R. 6 does, then the domestic price of natural gas will rise. In so doing, Congress will have imposed upon every American homeowner and business an increase in the price of natural gas that will reduce household disposable income, threaten the manufacturing renaissance, and will harm U.S. national security by making natural gas vehicles (NGVs), less economical.