Committee on Energy and Commerce

Opening Statement as Prepared for Delivery of Subcommittee on Energy, Climate, and Grid Security Ranking Member Diana DeGette

Hearing on "Politics Over People: How Biden's LNG Export Ban Threatens America's Energy and Economic Security"

February 6, 2024

Thank you, Chairman Duncan. The United States leads the world in both the production and exportation of liquified natural gas, also known as LNG. According to the Department of Energy, the US harnesses enough LNG energy capacity to export 14 billion cubic feet per day. Based on the Federal Energy Regulatory Commission's latest report, there are enough LNG facilities under construction that are fully permitted to nearly double our current export capacity, and enough facilities that have not yet started construction but are fully approved by both DOE and FERC to more than triple our current export capacity over the next decade.

These efforts will keep the US on track to lead the world in LNG exports for years to come. Each proposed LNG export facility must undergo a rigorous permitting process outlined by the Natural Gas Act: beginning with FERC and ending with DOE. Applicants must obtain authorization from FERC to construct and operate a proposed LNG facility. Once approved by FERC, DOE considers whether the proposed export of natural gas is consistent with "public interest." It is important to note that DOE is required to grant the application unless it is found to be inconsistent with public interest. This sets a high burden of proof for denying a project.

Many listening at home may be curious as to what defines the "public interest." It is a purposefully broad phrase and encompasses both economic and environmental considerations. It is imperative for DOE to include pertinent factors like domestic energy prices, greenhouse gas emissions, and impacts on communities that have been hit hardest by pollution throughout our history, when considering how a project will affect our nation. As you all know, this past month, the Biden administration announced a temporary pause on pending approvals of new LNG exports.

This pause was announced to fulfill the administration's duty to protect American interests under the Natural Gas Act, and to allow DOE to update its underlying analysis for LNG authorizations — analysis, which was last updated in 2018, when the US was exporting only one-third of the capacity that we have today. That was pre-COVID, and the impact of the pandemic on our economy and communities must be taken into consideration. The fact that our nation's production has ramped up so quickly must be considered, especially since the US currently has enough approved capacity to fulfill the world's energy needs in the short and medium terms.

Continuously increasing LNG exports without updating guidelines to account for new information is a fundamentally unserious proposal. The administration's pause will allow them to update guidance to ensure we are not approving additional LNG exports to support other countries at the cost of

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Americans back home. This is responsible policy making. In short, this pause will allow the Biden administration to better assess what future projects are actually in the public interest. While taking into account every aspect of these projects – including, critically, the emissions and pollution they can create.

The majority is attempting to rebrand this temporary pause as a "ban on issuing LNG export permits," which is false – as I'm sure we'll have to repeat over and over today. Their plan is to give full authority over LNG exports to FERC, and completely cut out any consideration of the public interest. I find it frustrating that the majority has labeled this temporary pause as harmful to American interests, when unfettered production of LNG and the pollution that comes with it is what could harm our communities in both the short and long term.

The Biden administration's temporary pause only directly impacts six projects that have been approved by FERC and are pending at DOE. Six projects – when we're already on track to increase production by 200% in the next decade. The majority's harmful mischaracterization of the administration's action omits so many important facts that it's hard not to be cynical about the purpose of this hearing.

I yield back.