March 10, 2025

U.S. Department of Energy
Office of Regulation, Analysis and Engagement
Office of Fossil Energy and Carbon Management
Forrestal Building
Room 3E-056
1000 Independence Avenue SW
Washington, DC 20585

Re: 2024 LNG Export Study: Energy, Economic, and Environmental Assessment of U.S. LNG Exports

To Whom It May Concern:

The Marcellus Shale Coalition (MSC), a regional trade association with a national membership, was formed in 2008 and is currently comprised of nearly 150 member companies who are fully committed to working with local, state and federal government officials to facilitate the safe and responsible development of the Marcellus, Utica and other unconventional natural gas formations. Our members represent many of the largest and most active companies in natural gas production, gathering, processing, transmission, and utilization in the country, as well as the supply chain, contractors, professional service firms and trade unions who work with the industry. The MSC appreciates the opportunity to comment on the above-referenced study.

Summary

The blatantly transparent political and electoral motivations which led to the discontinuation of export license reviews for LNG shipments to non-free trade agreement countries and the study commissioned to fulfill these motivations leads us to urge the new administration and U.S. Department of Energy (Department) leadership to re-set U.S. LNG export policy in a manner that is in the interests of the citizens of the United States.

While the Secretarial Statement[1] which accompanied the study seeks to espouse negative implications of increased U.S. LNG exports, many of the conclusions alluded to in the statement are not supported by the study itself. Additionally, numerous credible studies and reports which reinforce the benefits of LNG exports – several of which are cited in these comments – should also be considered by policymakers and regulators evaluating pending and new LNG export license applications impacted by the study.

[1] Secretarial Statement – LNG Study Update: December 17, 2024: https://www.energy.gov/articles/us-department-energy-completes-lng-study-update-announces-60-day-comment-period

With this summation in mind, the MSC offers the following specific comments for consideration.

Comments

Implications of a Final Study

While the Department is now accepting public comment on the study, it is both noteworthy and disconcerting that this public comment is being sought after the fact. This reality reinforces the undeniable notion that the export permit freeze was adopted to inflict harm to the natural gas industry, American royalty owners, and our allies abroad who are dependent on access to clean, affordable, and reliable energy sources.

A hallmark of any legitimate public policy is a willingness to solicit and thoughtfully consider the input of a diverse set of perspectives before finalizing a final policy. The Department undermines this legitimacy and erodes public trust in the policymaking process by intentionally ignoring input from the public until after it has reached its conclusions and until after those political appointees responsible for the policy have left office.

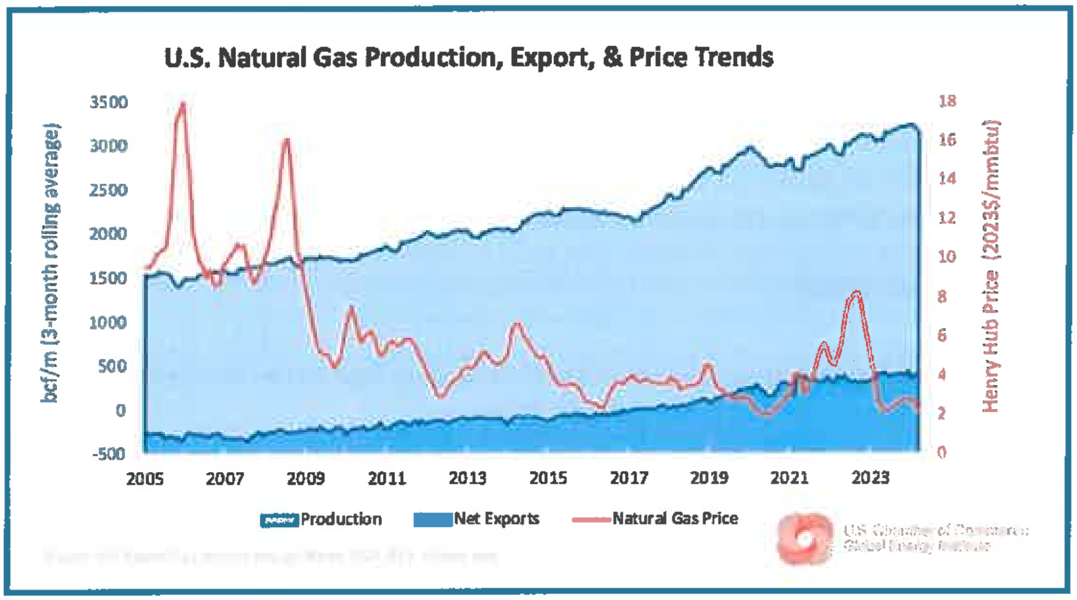
Impact on Prices for Domestic Natural Gas Consumers

One of the premises used by the Biden Administration to justify the LNG export license pause was that increased exports of natural gas would lead to higher prices for consumers.

Before briefly exploring and debunking this premise, it is worthwhile to take a moment and note the irony that the Biden Administration feigned concern for high natural gas price impacts on consumers. Over the past four years, the Biden Administration undertook a litany of policy objectives designed to increase the costs of natural gas development and constrain domestic natural gas production and supply. There is no clearer example of this than the enactment and imposition of a tax on methane, imposed, ironically, in the so-called Inflation Reduction Act. Moreover, Biden Administration officials – in statements too numerous to catalog here - repeatedly touted the importance of discontinuing domestic natural gas usage. The law of supply and demand teaches us that nothing can have a more significant impact on consumer prices than driving up the costs to produce a product while simultaneously constraining supply.

That said, the premise of higher prices due to increased LNG exports has always ignored the sheer abundance of domestic natural gas supplies that, combined with favorable business, tax and regulatory frameworks, could easily be tapped to increase net production to meet both domestic and international demand. The analysis compiled by the Department ignores the fundamental tenets of supply and demand: as demand increases, so too will supply. The analysis which justifies the conclusion that LNG exports result in a so-called "triple-cost" increase to consumers, as former Energy Secretary Granholm asserted in the Secretarial Statement, is fundamentally flawed and evinces a head-scratching ignorance of Economics 101.

Indeed, the Department's own data shows that as natural gas exports increased in recent years, domestic natural gas prices declined, reaching or nearing historic lows in natural gas pricing. The following chart, prepared by the U.S. Chamber of Commerce Global Energy Institute, and based upon data compiled by the Biden Administration, illustrates this reality:



Studies by respected and credible organizations have demonstrated that increased demand for natural gas exports, such as in Europe and Asia, to meet both growing energy demand generally and a desire to achieve carbon-emission reduction targets, has spurred domestic natural gas production and led to a cumulative net increase in available natural gas. For example, economic modeling conducted by the Texas Oil and Gas Association showed that "*U.S. LNG net exports have not had any sustained and significant direct impact on natural gas prices.*"[2]

Additionally, a recent S&P Global Report commissioned in partnership with the U.S. Chamber of Commerce demonstrates the wide-ranging benefits of LNG exports, from domestic economic growth, to royalty owners, to bolstering the nation's national security, to sustaining and building upon the significant environmental progress attributable to the increased use of natural gas overseas. The MSC incorporates the findings of this analysis[3] and urges the incoming administration to utilize it as a blueprint for expanding LNG export opportunities.

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[2] *An Examination of Whether U.S. LNG Exports Drive Domestic Natural Gas Prices*: Texas Oil and Gas Association https://docs.txoga.org/files/4189-analysis-on-us-lng-exports-domestic-natural-gas-prices-2_15_24.pdf

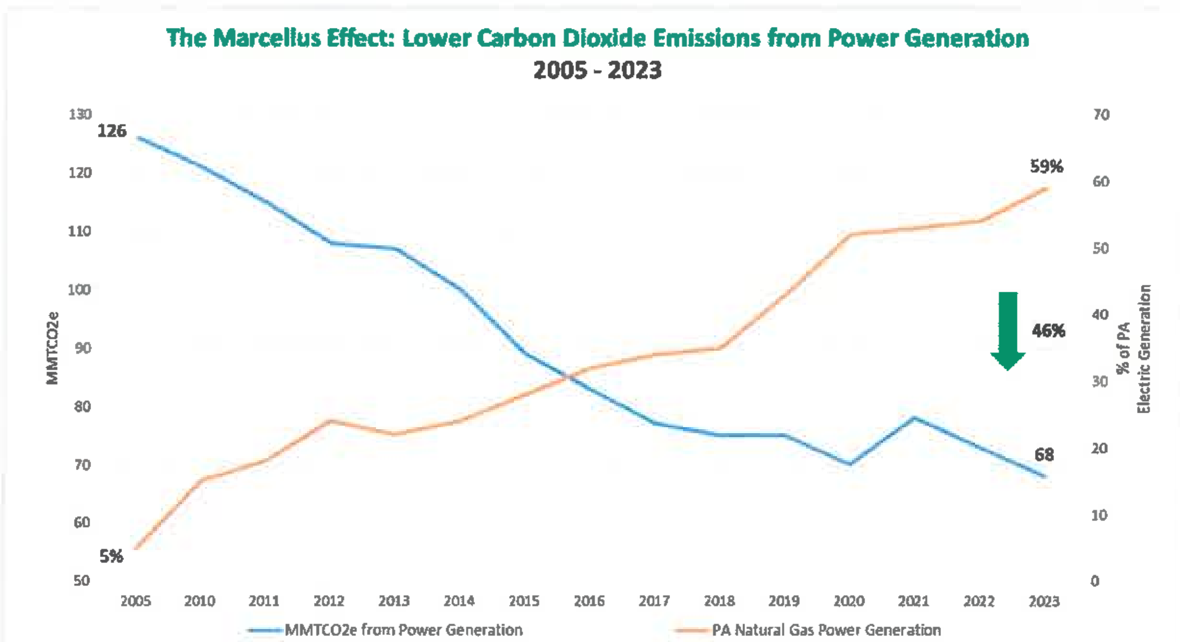
[3] *A U.S. LNG Impact Study – Phase 1*: S&P Global December 17, 2024 https://www.spglobal.com/en/research-insights/special-reports/major-new-us-industry-at-a-crossroads-us-lng-impact-study-phase-1

Climate Benefits of LNG

A principal narrative of discontinuing LNG export license application reviews is that such LNG exports do not result in meaningful environmenal improvements. This narrative has been faulty since its inception.

Multiple data analysis shows that natural gas produced in the United States has a methane intensity significantly below natural gas produced in other leading producing nations. For example, the International Energy Agency's 2020 analysis found that U.S. produced natural gas had a methane intensity that is 37.5% less than Russia, 50% less than Iran and Iraq, 500% less than Venezuala and 1,200% less than Libya.

In the United States, a clear correlation has been identified between increased use of natural gas for electric generation and carbon dioxide emissions.[4] This reality is driven home here in Pennsylvania, the primary jurisdictional focus of the MSC, where the increased use of natural gas for electric generation has resulted in historic declines in carbon dioxide emissions[5]:



It is clear that the use of natural gas, particularly in the power generation sector, has resulted in meaningful and historic environmental progress domestically, and that these gains can be realized exponentially by increasing access to U.S. LNG. It is also clear that a failure to avail our allies of access to LNG leads to a logical outcome: our allies will be

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[4] Carbon Emissions, Air Pollution Drop as U.S. Natural Gas Generation Reaches 40% - December 4, 2024: https://marcelluscoalition.org/2024/12/04/carbon-emissions-air-pollution-drop-as-u-s-natural-gas-generation-reaches-40-environmental-groups/

[5] Source: U.S. Energy Information Administration and PA Independent Fiscal Office

dependent upon other nations and dictators for their energy resources, and these nations and dictators will continue to fail to adhere to robust (if any) environmental standards.

More importantly, these nations and dictators – as the past few years have demonstrated – will leverage their control of energy resources to dictate geopolitical policies that are adverse to the interests of our nation. In short, cutting off access to non-free trade agreement allies such as in Europe, Asia and Africa only strengthens the influence of Russia and other rogue nations.

Support of Other Comments

The MSC expresses its support for the comments submitted by the American Exploration and Production Council.

Conclusion

LNG exports provide benefits to our domestic economy, royalty owners and our allies abroad who are currently dependent for energy resources upon nations that do not share the stategic interests or international values of the United States. Additionally, LNG exports represent one of the single greatest opportunities to achieve meaningful environmental progress and help people mired for generations in energy poverty.

The MSC is confident that the new Administration recognizes these benefits and will work to advance the interests of our nation by supporting a fair, timely and predictable licensing process for LNG exports. Our members stand ready to assist in this effort.

Thank you for your review and consideration of these comments.

Sincerely,

Jim Welty
President