

New LNG Exports Are Not in the Public Interest

Why DOE Must Update its Approval Process for New Licenses

The United States is now the world's top exporter of liquefied methane gas, otherwise known as liquefied natural gas (LNG)¹. As part of the approval process for LNG exports to countries with whom the United States does not have a free trade agreement, the Department of Energy (DOE) is required under the Natural Gas Act² to determine whether these LNG export licenses are in the public interest³. With exports set to double when current projects under construction come online and double again if proposed projects proceed⁴, DOE must update its decision-making process to fully account for the costs to communities, consumers, and the climate associated with this massive proposed further expansion.

DOE must apply the same guidelines for approving LNG exports as they did for imports four decades ago.

DOE published specific guidelines in 1984 for public interest determination of imports, developed in a general proceeding including robust public engagement with stakeholders. However, the Department has never undertaken a similar process for exports and instead evaluates projects on a case-by-case basis using a "range of factors." In keeping with its process for assessing LNG imports, the Department must exercise its authority to also craft robust guidelines for LNG exports to appropriately capture all public interest considerations when evaluating new projects.

DOE must consistently and comprehensively consider the impacts of LNG exports, including negative public health impacts along the broader natural gas value chain and on communities that are already significantly impacted by industrial development.

The extraction, transport, and export of methane gas concentrates pollution in communities already overburdened by toxic fossil fuel infrastructure. For instance, almost 40 percent of the residents who live within a three-mile radius of the over 20 proposed projects in the Gulf Coast are low-income and people of color⁵. These communities are the least equipped to respond to the impacts of climate change, and yet they are the ones that bear the burden of fossil fuel infrastructure. DOE has historically neglected to account

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1 <https://www.eia.gov/todayinenergy/detail.php?id=60361>

2 https://www.ferc.gov/sites/default/files/2021-04/natural_gas_act.pdf

3 LNG exports to countries with whom the U.S. has a free trade agreement are automatically approved and thus do not require a public interest determination.

4 <https://cms.ferc.gov/media/north-american-lng-export-terminals-existing-approved-not-yet-built-and-proposed-8>

5 <https://cms.ferc.gov/media/north-american-lng-export-terminals-existing-approved-not-yet-built-and-proposed-8>

for pollution burdens across the natural gas value chain when considering proposed LNG export facilities in communities facing some of the highest rates of cancer and raising energy costs. The Department does not consistently or fully assess those harmful impacts, or equity considerations more generally, in its public interest determination process for new LNG exports.

DOE must consider how everyday Americans pay the price for LNG exports.

Increased LNG exports result in higher energy bills for energy consumers—ranging from hard-working families struggling to make ends meet to energy-intensive industry, like manufacturing companies⁶. Communities that are already overburdened with fossil fuel infrastructure and climate pollution are the same ones whose energy bills have skyrocketed as domestic natural gas prices have become tied to global markets—price increase driven by LNG exports. DOE's own analysis shows all U.S. consumers pay higher prices as a result of increased LNG exports⁷, and the highest cost burden then falls on already disadvantaged communities including majority Black, Hispanic and Native American populations. And while these communities are paying the highest price for expansion of the LNG industry, export-driven energy cost spikes have been seen across the country, from New England to the West Coast and everywhere in between. Yet DOE does not adequately consider the distribution of economic harms from LNG exports, let alone the inequitable distribution of such harms. DOE's public interest determination process similarly does not reflect whether increased energy costs resulting from LNG exports are a net benefit to American families and businesses.

DOE must consider the full extent of the climate impacts of LNG exports.

Methane, the primary component of natural gas, is over 80 times more effective at trapping greenhouse gases in the atmosphere than carbon dioxide over a 20-year period; as a result, the lifecycle emissions of the existing and proposed LNG export terminals in the U.S. would equate to 681 coal plants⁸. In fact, researchers found that lifecycle greenhouse gas emissions from LNG exported from the United States—including its extraction, transportation, combustion, and leakage along the value chain—are 24 percent higher than emissions from coal extracted and burned abroad.⁹

The proposed buildout of LNG exports would put U.S. climate goals far out of reach. According to the IEA's 2023 World Energy Outlook, this new wave of proposed LNG exports far exceeds what is needed to meet global energy needs and will lead to a supply glut and a build out far in excess of a net-zero emissions pathway. However, DOE does not currently assess the lifecycle emissions from proposed LNG export projects, including emissions abroad from the use of exported U.S. LNG,¹⁰ in its emissions calculations for export terminals. Without properly accounting for *all* emissions associated with the LNG value chain, the U.S. cannot accurately measure whether we're on track to meet our science-based climate targets. Given the magnitude of these emissions and the rising costs of the climate crisis, DOE must develop a public interest determination process for new exports which thoroughly assesses lifecycle climate impacts from proposed LNG export projects.

6 See, e.g., <https://www.citizen.org/wp-content/uploads/LNG-Consumer-Cost-Fact-Sheet-09.11.23.pdf>.

7 https://www.eia.gov/outlooks/aeo/IIF_LNG/

8 https://www.sierraclub.org/sites/default/files/2023-09/2689%20LNG-Expansion_FactSheet-3Pager_04_high.pdf

9 https://www.research.howarthlab.org/publications/Howarth_LNG_assessment_preprint_archived_2023-1103.pdf

10 <https://www.symonspa.com/post/new-study-finds-rising-exports-of-oil-and-gas-undermines-u-s-action-to-reduce-emissions>



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