



January 25, 2024

The Honorable Jennifer Granholm
Secretary
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Dear Madame Secretary,

On behalf of the members of the Louisiana Midcontinent Oil and Gas Association, I write to express deep concern with recent media reports of the Biden Administration considering changes to the Department of Energy (Department) public interest review of liquefied natural gas (LNG) export terminals to non-Free Trade Agreement (non-FTA) allies. As the Administration conducts this review, we encourage you to consider the broad, global benefits of LNG exports and serious consequences of any additional barriers that may be placed on this process.

Louisiana Midcontinent Oil and Gas Association (LMOGA), established in 1923, represents all sectors of the oil and gas industry in Louisiana and across the Gulf of Mexico. Importantly, LMOGA represents the energy producers and refiners along the Gulf Coast who produce nearly 20% of our nation's energy, refine 45% of the total U.S. petroleum, and process 51% of the nation's natural gas. Our industry supports thousands of high wage jobs across the Gulf South, and is serviced by businesses in across every state in the nation. In Louisiana alone, oil and gas activities represent 26% of Louisiana's GDP, and the industry accounts for over \$4 billion in state and local tax revenue. The export of LNG through domestic ports in Louisiana and throughout the Gulf Coast is an important pillar of these achievements.

The Natural Gas Act enables domestic ports to export LNG to non-FTA allies with certification by the Department that the decision is in the public interest. While there has been significant build-out of domestic LNG export capacity in recent years, with over 14 Bcfd approved and in operation¹, making the U.S. a lead supplier of global LNG, the public interest review process by the Department has already proven to lag significantly behind global demand, with delays lasting significantly longer than previous Administrations. Meanwhile, the International Energy Administration (IEA) predicts global demand for LNG will need an additional 240 bcm (8475 bcf) per year² beyond our current capacity as global demand continues to grow through 2050, consistent with global climate targets.

¹ <https://www.ferc.gov/media/us-lng-export-terminals-existing-approved-not-yet-built-and-proposed>

² <https://iea.blob.core.windows.net/assets/5cce10d6-6c88-4813-a40f-ceffecdb0986/Outlooksforgasmarketsandinvestment.pdf>



Louisiana is proudly home to three of the top eight domestic LNG export terminals, with at least three more projects approved, and eight more in pre-filing or proposed stages³. In total, Louisiana's LNG export terminal facilities carry 8.31 Bcfd, with more than double that capacity planned to occur over the next few years⁴. Louisiana LNG exports ensure the energy needs of our international allies are met without a threat to their national security and in a manner that will help our customers achieve their climate goals.

As we saw in 2022, with the Russian invasion of Ukraine, the global energy sector has been virtually reset, as the European gas market, which was previously insulated from much of the world, became reliant on LNG supplies from around the globe, including the U.S. In a matter of days, the geopolitical importance of natural gas skyrocketed, with the U.S. leading the way to ensure our allies in Europe had access to this critical fuel. In fact, in March of 2022, President Biden announced a deal with the European Union that U.S. LNG would replace one-third of Russian gas imports, putting the U.S. in a position of strength at a time of global instability.

At the same time, the U.S. energy industry has been making incredible strides to reduce the carbon intensity of oil and gas. In particular, several U.S. LNG exporters are announcing groundbreaking net-zero projects, including carbon capture and sequestration, hydrogen amongst other ways to operationally reduce emissions from U.S. natural gas, positioning the domestic gas industry to offer some of the lowest carbon intense natural gas available globally.

Many international customers in Europe and Asia are bullishly relying on a consistent supply of U.S. domestic natural gas to reduce carbon emissions and meet climate goals; and many of these nations are among the world's largest emitters of carbon. LNG exported through our domestic facilities is certified to have been produced with higher environmental standards, including more methane capture and regulation, than other suppliers of LNG.

The Department must carefully consider any potential consequences any new policy could have, including causing significant setbacks in the advancements the U.S. LNG industry is making in terms of net-zero projects. Many of these projects are underpinned by the LNG business and offer a strong, diversified energy portfolio, which continues to solidify the criticality of the U.S. as an energy powerhouse geopolitically, and enables our allies to reduce their own emissions. Indeed, the export of LNG is a tool, not a hindrance, to making the air we breathe cleaner and our energy supplies more reliable and secure.

³ <https://www.ferc.gov/media/us-lng-export-terminals-existing-approved-not-yet-built-and-proposed>

⁴ Id.



For these reasons, we express serious concerns with speculation around a review of the Department's LNG export approval process and urge you to reconsider any changes that would hinder the ability for the U.S. to continue to play a pivotal role in this global commodity market.

Sincerely,

TOMMY FAUCHEUX
President, LMOGA

cc: The Honorable David Turk, Deputy Secretary of Energy (DOE)
The Honorable Brad Crabtree, Assistant Secretary for Office of Fossil Energy and Carbon Management (DOE)
Jake Sullivan, National Security Advisor
John Podesta, Senior Advisor to the President for Clean Energy Innovation and Implementation
Ali Zaidi, Assistant to the President and National Climate Advisor