

July 21, 2014

Mr. John Anderson
U.S. Department of Energy (FE-34)
Attn: Addendum Comments,
Office of Oil & Gas Global Security & Supply,
Office of Fossil Energy
P.O. Box 44375
Washington, DC 20026-4375
(submitted via DOE's website)

RE: Comments of America's Natural Gas Alliance on the Notice of Change of Procedures (Proposed Procedures for Liquefied Natural Gas Export Decisions)

Dear Mr. Anderson:

America's Natural Gas Alliance (ANGA) appreciates the opportunity to submit these comments on the U.S. Department of Energy's (DOE) Proposed Procedures for Liquefied Natural Gas Export Decisions.

ANGA represents North America's leading independent natural gas exploration and production companies, and works with industry, government and customer stakeholders to promote increased demand for and availability of our nation's abundant natural gas resource for a cleaner and more secure energy future. The collective natural gas production of ANGA member companies is approximately eight trillion cubic feet per year, which represents one third of the total annual U.S. natural gas supply.

On May 29, 2014, DOE published a notice of change of procedures, *Proposed Procedures for Liquefied Natural Gas Export Decisions* (the Notice). The stated purpose is to "suspend the practice of issuing conditional decisions on applications to export LNG from the lower-48 states to non-FTA countries prior to completion of NEPA review." Additionally, the Notice states, "DOE would no longer proceed in the published order of precedence, but would act on applications in the order in which they become ready for final action."

While ANGA appreciates the DOE's efforts to improve the process by which LNG terminals are approved to export to non-FTA countries, it is imperative that this revised process accelerates the permitting of LNG export facilities.

With respect to accessing additional international markets, time is of the essence. Global demand for natural gas is expected to increase between 18 bcf/d and 38 bcf/d by 2025. Proposed new global LNG capacity outside the U.S. is approximately 50 bcf/d.¹ Given the disparity between projected demand, and the number of facilities being proposed worldwide, the period of time for the U.S. to take advantage of this opportunity is narrow. The facilities brought online first will have a competitive advantage in serving the expected global LNG demand.

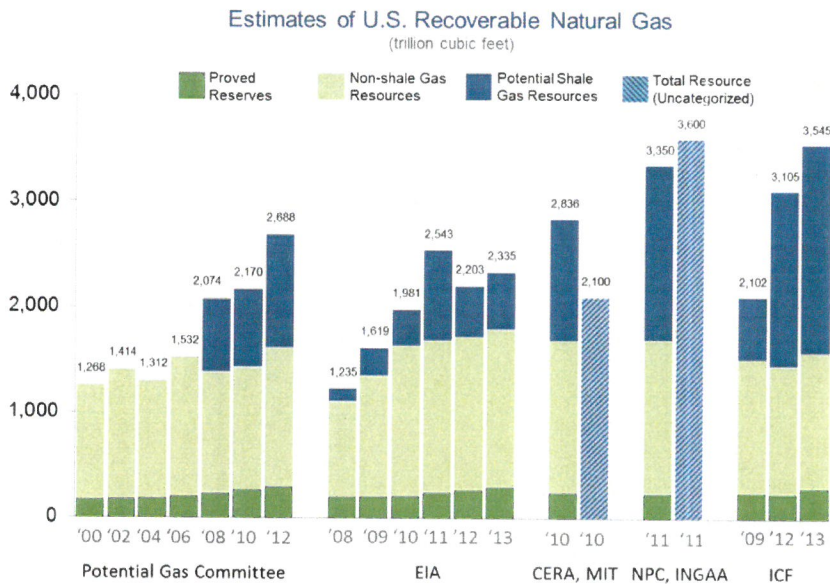
The Energy Information Administration (EIA) has projected an increase in demand for 2025 by 35 percent since the 2010 Annual Energy Outlook (AEO) release while projected 2025 prices have fallen 29 percent.² Further, the NERA Economic Consulting study commissioned by the Department of Energy finds “net economic benefits to the U.S. economy across all the scenarios examined in which the global market would take LNG exports from the U.S.” In fact, the NERA study found that, “for every one of the market scenarios [we] examined, net economic benefits increased as the level of LNG exports increased.” We think that supplementary economic studies will bear similar results.

It is clear that natural gas supply is abundant and capable of sustaining substantial increases in domestic consumption as well as exports. The Energy Information Administration (EIA), the Potential Gas Committee, and MIT all project ample domestic supplies of natural gas to power our nation for generations. To put these findings in context, the volume of natural gas consumed in 2013 in the U.S. was 26 trillion cubic feet. The most recent projections show a range of technically recoverable gas using today’s technology from 2,203 to 3,545 trillion cubic feet (Figure 1). As technology continues to advance in unconventional drilling, reserve estimates will also continue to grow.

¹ ICF International, “U.S. LNG Exports: Impacts on Energy Markets and the Economy.” May 2013, pg 17, 61.

² Energy Information Administration, “Annual Energy Outlook 2014”, May 2014.
Energy Information Administration, “Annual Energy Outlook 2010”, April, 2010.

Figure 1: Technically Recoverable Reserves



Importantly, using today’s technology, ICF International estimates more than 1,500 TCF of dry gas is recoverable at \$5 per MMBTU or less in the United States and Canada.³ Technology advancements have allowed us to access natural gas reserves that were previously too expensive to extract. Since the beginning of 2005, natural gas production in the United States has increased 30 percent and is projected to increase another 56% by 2040.⁴

This abundant, affordable supply can support significant demand growth across all sectors of the economy including power generation, manufacturing, transportation and exports. The data clearly shows that the U.S. can increase our natural gas exports and continue to take advantage of this abundant, affordable resource domestically to strengthen economic growth and energy security.

If you have any questions, please contact me at (202) 789.2642.

Sincerely,



Frank J. Macchiarola

Executive Vice President, Government Relations

³ ICF International, “U.S. LNG Exports: Impacts on Energy Markets and the Economy.” May, 2013. pg. 44-45.

⁴ EIA, “Annual Energy Outlook 2014.” May, 2014.