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From: Jk Canepa [redacted]
Sent: Wednesday, January 23, 2013 11:49 AM
To: LNGStudy
Subject: 2012 LNG Export Study

Re: LNG Export Study and Request for Comment

The New York Climate Action Group (NYCAG) has serious concerns with the Department of Energy's study on the economic impact to America of increased natural gas exports (see below). We reference the comments of Jannette M. Barth of the Pepacton Institute regarding the costs of adverse health impacts and increased need for local services likely to arise from a drive for more natural gas extraction, including "increased demand for police, fire, first responders, and hospitals", "road damage due to heavy truck traffic", and "water and air contamination, and public health costs." These factors were not addressed by the DOE's study. Nor were the "economic/environmental justice issues" that have affected people already exposed to high-volume horizontal hydrofracturing, including the rural communities in our neighboring state, Pennsylvania, where 26% of the municipalities in twelve Marcellus counties "experienced increased expenditures due to Marcellus shale development" although three out of four of all the municipalities report that shale development "had not affected their tax revenue." In short, for a significant portion of those areas, the towns had to spend their own moneys to repair the damage done by the shale gas industry, and for most of the towns, the industry did not help raise their economy. Thus the study did not take a nuanced, local look at the economic impact of LNG. Many, many people will be hurt.

In addition, the expansion of LNG exports will derail the necessary move toward more renewable energy development. NYCAG prefers to use the term "renewable" rather than "sustainable", in order to distinguish solar, wind, geothermal, wave and tidal energy from the more nebulous term "sustainable" that might be interpreted to include, in some quarters, nuclear, hydropower, and even natural gas.

We also include the comments by Delaware Riverkeeper, below:

The economic impacts and energy policy ramifications of LNG export far exceed the limited scope of consideration presented in the Department of Energy’s (“DOE”) report: “Effect of Increased Natural Gas Exports on Domestic Energy Markets”.

Any authorizations to export LNG will directly and dramatically affect the level of shale gas development in this country, including development of supporting industries and infrastructure. Therefore any credible LNG economic study, particularly one purporting to be a “cumulative impacts study,” must include analysis of the wealth of harms associated directly and indirectly with the increasing shale gas development that will be supported and incited by LNG exports.

Shale gas development presents an unparalleled level of harm to drinking water, air quality, food supplies, and public health that equate to high economic burdens for the United States economy and taxpayers. These are economic burdens that any accurate assessment of the impacts of LNG exports must fully explore and consider.

Shale gas development and its infrastructure induces or contributes to deforestation, land compaction, wetlands destruction, and increased earthquake potential, as well as creates increased potential for flooding and erosion of public and private lands that must be responded to and addressed by homeowners, communities and local, state and federal governments. To the extent that LNG will support, induce and encourage more shale gas development it will be increasing these harms and the associated costs; as such these costs must be considered in any credible analysis of the economic ramifications of LNG.

The most recent estimates of economically recoverable shale gas reserves estimate approximately 20-40 years of supply at current domestic consumption. Increasing LNG exports will reduce the timeline of this supply. As a result all of the hundreds of billions invested in transforming this country’s energy infrastructure into one dependent on shale gas will quickly be lost as the quickly dwindling shale gas supply will necessitate the need for a new energy infrastructure. Upon depleting its shale gas reserves in just a matter of decades, America will be faced with an abrupt and expensive shift to new energy sources and corresponding infrastructure. This 20-40 year timeline becomes further abbreviated if LNG exports occur.

Investing in increasing shale gas development including exports brings with it high opportunity costs for this country also ignored by the DOE report. Investment in LNG and shale gas development means there is not investment in truly sustainable energy development, in corresponding quality infrastructure for sustainable energy, in the technological advancements necessary to ensure U.S. leadership in renewable energy sources, and in the use of taxpayer dollars for achieving other high priority job creation and economic advancement goals. These tangible costs were ignored by DOE’s study.

Furthermore, scientific research and data increasingly support the proposition that shale gas development – when combined with LNG export – is a net greenhouse gas polluter as potent as coal, and likely worse. To the extent that authorizing LNG export will induce and encourage more shale gas development - and therefore more methane and CO2 emissions exacerbating climate change - it will be increasing the costs associated with responding to, and rebuilding from, the extreme weather events that will inevitably result. Examination of these foreseeable costs were likewise absent in DOE's study.

The 2012 LNG Export Study's failure to examine the aforementioned and other relevant costs in its analyses renders the report a superficial and stunted picture of LNG's economic ramifications. DOE's study simply fails to provide decisionmakers the complete, accurate knowledge necessary to render an informed decision.

It is incumbent upon DOE to consider these ignored economic and environmental costs in determining whether LNG export to non-free trade agreement nations fulfills the public interest standard set forth under the Natural Gas Act.

Respectfully,

Judith K. Canepa, Co-Founder

New York Climate Action Group

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