United States Regulation of Natural Gas Exports

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Natural Gas Supply, Demand, Prices
ABUNDANT U.S. NATURAL GAS RESOURCES FOR DECADES TO COME

U.S. natural gas production by type (trillion cubic feet)

- **Shale gas and tight oil plays**
- **Tight gas**
- Other Lower 48 onshore
- Other
- Lower 48 offshore

2000 2010 2020 2030 2040

From Energy Information Administration’s Annual Energy Outlook 2017
U.S. BECOMING A NET EXPORTER OF NATURAL GAS

From Energy Information Administration’s Annual Energy Outlook 2017
U.S. NATURAL GAS PRICES PROJECTED AT $5 PER MMBTU THROUGH THE YEAR 2040

Henry Hub Spot Price
2016 $/MMBtu

From Energy Information Administration’s Annual Energy Outlook 2017
Natural Gas Export Regulation
FEDERAL AGENCIES WITH AUTHORITY OVER NATURAL GAS EXPORTS

Department of Energy

- Authority over the trade of the natural gas as a commodity
- Cooperating agency on environmental reviews of facilities

Federal Energy Regulatory Commission

- Authority over the siting, construction, and operation of onshore LNG terminals
- Lead agency on environmental reviews of onshore facilities

Maritime Administration

- Authority over the siting, construction, and operation of deepwater offshore LNG terminals
- Lead agency on environmental reviews of onshore facilities
U.S. LAW: THE NATURAL GAS ACT

“…no person shall export any natural gas from the United States to a foreign country… without first having secured an order of the [Secretary of Energy] authorizing it to do so.” - 15 U.S.C. § 717b(a)

Section 3(a)
Exports to non-Free Trade Agreement Countries
Authorization must be granted unless after opportunity for hearing, proposed export found to not be consistent with the public interest

Section 3(c)
Exports to Free Trade Agreement (FTA) Countries
By law, deemed to be consistent with the public interest
Authorization must be granted without modification or delay
18 FTA countries: primarily in the Americas, plus Korea, Singapore, Australia, Bahrain, Jordan, Morocco and Oman
PUBLIC INTEREST DETERMINATION EVALUATION CRITERIA FOR EXPORTS TO NON-FREE TRADE AGREEMENT COUNTRIES

Criteria for Evaluating the Public Interest

- Domestic need for the natural gas proposed for export
- Adequacy of domestic natural gas supply
- U.S. energy security
- Impact on U.S. economy
- Other Considerations:
  - International considerations
  - Environmental considerations
  - Other issues raised by commenters and interveners deemed relevant
FULLY PERMITTED U.S. LOWER 48 LNG PROJECTS

Approved Capacity
Billion cubic feet per day

- **Sabine Pass**: 3.45 billion cubic feet per day (under construction or operating)
- **Dominion Cove Point**: 0.77 billion cubic feet per day (authorized but not under construction)
- **Cameron**: 2.13 billion cubic feet per day (under construction or operating)
- **Freeport**: 2.14 billion cubic feet per day (authorized but not under construction)
- **Elba Island**: 0.36 billion cubic feet per day (under construction or operating)
- **Corpus Christi**: 1.4 billion cubic feet per day (authorized but not under construction)
- **Lake Charles**: 2.33 billion cubic feet per day (under construction or operating)
- **Magnolia**: 1.08 billion cubic feet per day (authorized but not under construction)
- **Golden Pass**: 2.0 billion cubic feet per day (authorized but not under construction)
- **Delfin**: 1.8 billion cubic feet per day (authorized but not under construction)
North American LNG Export Terminals
Proposed

PROPOSED TO FERC
Pending Applications:
1. Pascagoula, MS: 1.5 Bcf/d (Gulf LNG Liquefaction) (CP15-521)
2. Cameron Parish, LA: 1.41 Bcf/d (Venture Global Calcasieu Pass) (CP15-550)
3. Brownsville, TX: 0.55 Bcf/d (Texas LNG Brownsville) (CP16-116)
4. Brownsville, TX: 3.6 Bcf/d (Rio Grande LNG – NextDecade) (CP16-454)
5. Brownsville, TX: 0.9 Bcf/d (Annova LNG Brownsville) (CP16-480)
6. Port Arthur, TX: 1.86 Bcf/d (Port Arthur LNG) (CP17-20)
7. Jacksonville, FL: 0.132 Bcf/d (Eagle LNG Partners) (CP17-41)
9. Calcasieu Parish, LA: 4.0 Bcf/d (Driftwood LNG) (CP17-117)
11. Freeport, TX: 0.72 Bcf/d (Freeport LNG Dev) (CP17-470)

Projects in Pre-filing:
12. Corpus Christi, TX: 1.4 Bcf/d (Cheniere – Corpus Christi LNG) (PF15-26)
13. Cameron Parish, LA: 1.84 Bcf/d (G2 LNG) (PF16-2)
14. Coos Bay, OR: 1.08 Bcf/d (Jordan Cove) (PF17-4)
15. Cameron Parish, LA: 1.18 Bcf/d (Commonwealth, LNG) (PF17-8)
16. LaFourche Parish, LA: 0.65 Bcf/d (Port Fourchon LNG) (PF17-9)

PROPOSED TO U.S.-MARAD/COAST GUARD
15. Gulf of Mexico: 1.8 Bcf/d (Delfin LNG)

PROPOSED CANADIAN SITES
16. Kitimat, BC: 1.28 Bcf/d (Apache Canada Ltd.)
17. Douglas Island, BC: 0.23 Bcf/d (BC LNG Export Cooperative)

As of August 28, 2017