

Congress of the United States

House of Representatives

COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY

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WASHINGTON, DC 20515-6301

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February 7, 2024

The Honorable Jennifer Granholm
Secretary
U.S. Department of Energy
1000 Independence Ave. SW
Washington, D.C. 20585

Dear Secretary Granholm:

The Committee on Science, Space, and Technology (Committee) is concerned with the break from established natural gas authorization precedent and the undisclosed process that the Department of Energy's National Laboratories are being asked to undertake in support of the Biden Administration's recent announcement of a pause on pending approvals of United States Liquefied Natural Gas (LNG) exports.¹ Under the Natural Gas Act, the Department of Energy (Department) is required to approve authorizations unless it finds that the project would not be in the public interest – a determination the Department has never made.² This pause, however, would sidestep the authorization process by stopping progress on at least 10 projects.^{3,4} The Committee requests information and an immediate briefing on the Department's process to update analyses of the economic and environmental impacts of LNG exports.

While the Administration's announcement correctly notes current analyses are five years old⁵, it fails to mention the Department has commissioned five studies since 2012 to examine

¹ The White House, *Fact Sheet: Biden-Harris Administration Announces Temporary Pause on Pending Approvals of Liquefied Natural Gas Exports*, WHITEHOUSE.GOV (Jan. 26, 2024), <https://www.whitehouse.gov/briefing-room/statements-releases/2024/01/26/fact-sheet-biden-harris-administration-announces-temporary-pause-on-pending-approvals-of-liquefied-natural-gas-exports/>.

² Juliet Grable, *Biden Administration: No New LNG Export Terminals*, SIERRA (Jan. 26, 2024), <https://www.sierraclub.org/sierra/biden-administration-no-new-lng-export-terminals>.

³ U.S. Department of Energy, *DOE to Update Public Interest Analysis to Enhance National Security, Achieve Clean Energy Goals and Continue Support for Global Allies*, ENERGY.GOV (Jan. 26, 2024), <https://www.energy.gov/articles/doe-update-public-interest-analysis-enhance-national-security-achieve-clean-energy-goals>.

⁴ U.S. Department of Energy, *Policy Statement on Export Commencement Deadlines in Authorizations To Export Natural Gas to Non-Free Trade Agreement Countries*, 88 FR 25272 (Apr. 26, 2023), <https://www.federalregister.gov/documents/2023/04/26/2023-08805/policy-statement-on-export-commencement-deadlines-in-authorizations-to-export-natural-gas-to>.

⁵ The White House, *supra* note 1.

impacts of U.S. LNG exports on the U.S. economy and energy markets.⁶ Each of these studies found that exports would create net public benefits and have limited impact on domestic natural gas prices.⁷

To now place responsibility on the Department's National Laboratories to conduct the analyses updates, projected to take upwards of 15 months⁸, is a break from previous practices.⁹ Historically, these reports were commissioned by the Department's Office of Fossil Energy and performed by the U.S. Energy Information Administration, NERA Economic Consulting, or jointly between Rice University and Oxford Economics.¹⁰

The previous studies were completed without any pause in the permitting process, and it is unclear, beyond a political agenda, why one is needed now. The Committee is unaware of any evidence that a pause was recommended or necessary to improve any finding of the previous studies. The Committee has also found no suggestion in these studies or the Office of Fossil Energy and Carbon Management's LNG Monthly Report to corroborate the White House's claim that current analyses are no longer adequate.¹¹ Simply put, the Committee has not received or been notified of any **scientific justification** which would warrant a pause in authorizations or a long-term reanalysis of U.S. LNG exports.

To the contrary, the Committee is aware of the scientific community's research demonstrating the net benefit of U.S. LNG exports to counter global warming. Specifically, the Department's National Energy Technology Laboratory found that U.S. LNG has a lower greenhouse gas intensity and global warming potential than regional coal,¹² further dispelling the often cited "questionable analysis" that lifecycle emissions of U.S. natural gas exports are worse than coal.¹³ This federally supported finding by the Department conforms with studies that have shown switching to natural gas provides a net 40-50 percent greenhouse gas emissions reduction.¹⁴

⁶ NERA Economic Consulting, *Macroeconomic Outcomes of Market Determined Levels of U.S. LNG Exports*, ENERGY.GOV (June 7, 2018), <https://www.energy.gov/sites/prod/files/2018/06/f52/Macroeconomic%20LNG%20Export%20Study%202018.pdf>.

⁷ Ben Cahill & Joseph Majkut, *Biden Administration Pauses New LNG Approvals*, CENTER FOR STRATEGIC & INTERNATIONAL STUDIES (Jan. 26, 2024), <https://www.csis.org/analysis/biden-administration-pauses-new-lng-approvals>.

⁸ J. Noe, E. L. Craddock, & J. Porter, *Biden Administration Freezes LNG Export Approvals*, HOLLAND & KNIGHT (Jan. 29, 2024), <https://www.hklaw.com/en/insights/publications/2024/01/biden-administration-freezes-lng-export-approvals>

⁹ NERA Economic Consulting, *supra* note 6.

¹⁰ *Ibid.*

¹¹ U.S. Department of Energy, *LNG Reports*, ENERGY.GOV, <https://www.energy.gov/fecm/listings/lng-reports-november-2023-final-edition-lng-monthly> (last visited Feb. 5, 2024).

¹² S. Roman-White, S. Rai, J. Littlefield, G. Cooney, & T. Skone, *Life Cycle Greenhouse Gas Perspectives on Exporting Liquefied Natural Gas from the United States: 2019 Update*, NATIONAL ENERGY TECHNOLOGY LABORATORY (Sep. 12, 2019), <https://www.energy.gov/sites/prod/files/2019/09/f66/2019%20NETL%20LCA-GHG%20Report.pdf>.

¹³ Cahill & Majkut, *supra* note 7.

¹⁴ International Energy Agency, *The Role of Gas in Today's Energy Transitions*, IEA.ORG (Jul. 2019), <https://www.iea.org/reports/the-role-of-gas-in-todays-energy-transitions#>.

There are also positive economic, environmental, and geopolitical benefits to the U.S. being the world's largest LNG exporter. LNG exports to Europe have increased by 141 percent in order to meet demand and shift supply away from Russian pipeline exports – removing a major income source for Russia during its ongoing conflict in Ukraine.¹⁵ This shift is also beneficial for the global environment as Russian LNG exported to Europe has a lifecycle emissions profile 41 percent higher than U.S. LNG exported to Europe.¹⁶ Expanding to a broader global view, U.S. LNG produces 50 percent fewer emissions on average when used for electricity generation in China, Germany, and India.¹⁷

These economic statistics and federally supported findings demonstrate that U.S. LNG is key to both global energy security and successful emissions reduction for the foreseeable future. The five major LNG export projects currently under construction will nearly double U.S. LNG export capacity by the end of the decade,¹⁸ providing cleaner energy at home and abroad. Yet, the Biden Administration chose to stall any further growth by unilaterally delaying and potentially halting additional projects, inserting uncertainty into the exportation of U.S. LNG without scientific justification.

The Administration's disregard of existing studies and its unfounded decision will have significant ramifications on the future of U.S. LNG. The Committee is concerned that this pause with no scientific justification will ultimately result in a permanent ban of one of our country's most valuable clean energy resources. For the Committee to better understand the new economic and environmental analyses process the Department will undertake, we request a briefing, supported by documentation or records, to answer the following questions:

1. Was the Department consulted before the Administration's announcement on what the role of the National Laboratories would be in the process to update the assessments used in authorizing LNG exports? Did the Department voluntarily offer the involvement of the National Laboratories?
2. Are the National Laboratories better suited to conduct these analyses than those entities that traditionally generate the reports informing the permitting process? Why or why not?
3. What specifically within the process of updating the economic and environmental analyses will differ from the previous studies commissioned by the Department's Office of Fossil Energy?
4. What is the scientific or economic benefit in pausing U.S. LNG exports while the Department conducts its analysis? Will the Department simultaneously conduct analyses

¹⁵ U.S. Energy Information Administration, *Today in Energy*, EIA.GOV (Mar. 22, 2023), <https://www.eia.gov/todayinenergy/detail.php?id=55920>.

¹⁶ S. Roman-White, S. Rai, J. Littlefield, G. Cooney, & T. Skone, *supra* note 12.

¹⁷ American Petroleum Institute, *Study: New Lifecycle Analysis of U.S. LNG exports*, API.ORG (2020), <https://www.api.org/news-policy-and-issues/lng-exports/new-lifecycle-analysis-of-us-lng-exports>.

¹⁸ Cahill & Majkut, *supra* note 7.

on the economic, geopolitical, national security, and environmental impacts of a 15 month pause in LNG export authorizations?

5. Are there other programs, export authorizations, or applications the Department is in the process of “pausing” or halting because related analyses are more than five years old? Will all future project approvals, including Department demonstrations and loan projects, be halted if related economic or environmental studies are more than 5 years old?
6. What scientific evidence is the Administration relying on to support the claim that current analyses are no longer adequate? Please provide copies of any supporting documentation and explain why Congress, through this Committee, were not informed of this significant shift in the Department’s position on U.S. LNG exports earlier.
7. How will the Department ensure that the process to update analyses will adhere to the Administration’s Scientific Integrity policy, which states, “Scientific findings should never be distorted or influenced by political considerations. When scientific or technological information is considered in policy decisions, it should be subjected to well-established scientific processes, including peer review where feasible and appropriate, with appropriate protections for privacy.”?¹⁹
8. What offices, programs, and individuals within the Department of Energy and the National Laboratories, or outside of the Federal government, will be part of the updates to economic and environmental analyses?
9. What is the scope of topics to be considered under the update to economic and environmental analyses? Who will determine the scope of topics?
10. How will the analyses be presented to the public? Will the draft analyses be peer-reviewed or open for public comments?
11. In relation to U.S. LNG exports, how does the Department define and/or quantify “public interest” and “national interest”? What is FERC’s role in this process and in defining these terms?
12. Will the analyses be conducted with the prior understanding or intent that they will be used to broaden the scope of LNG authorization reviews, issue new guidance for the approval process, or promulgate new or updated regulations?
13. Can the Department estimate the cost of these analyses and identify any programs, projects, or construction at the National Laboratories that could be affected by undertaking the analyses?

¹⁹ The White House, *Memorandum on Restoring Trust in Government Through Scientific Integrity and Evidence-Based Policymaking*, WHITEHOUSE.GOV (Jan. 27, 2021), <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/27/memorandum-on-restoring-trust-in-government-through-scientific-integrity-and-evidence-based-policymaking/>.

14. Why has the Department not commissioned or conducted any analyses of U.S. LNG exports since 2019? Will authorizations approved using previous analyses be subject to any new regulations, applications, or rules based on new analyses?

We request this briefing take place no later than March 1, 2024, and prior to any further actions related to carrying out these analyses, including any steps taken by the National Laboratories. Should you have any questions please contact Daniel Dziadon at (202) 225-6371. Thank you for your time and consideration regarding this matter.

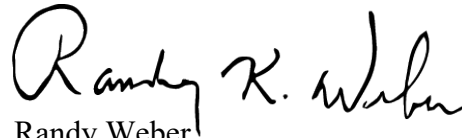
Sincerely,



Frank D. Lucas
Chairman
House Committee on Science,
Space, and Technology



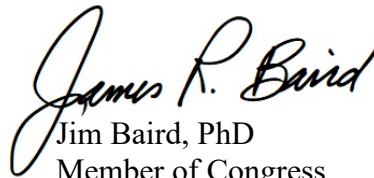
Bill Posey
Member of Congress



Randy Weber
Member of Congress



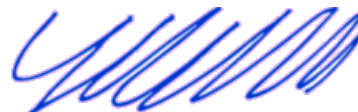
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Subcommittee on Space & Aeronautics



Jim Baird, PhD
Member of Congress



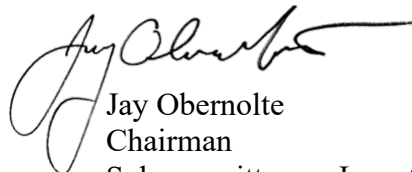
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Member of Congress



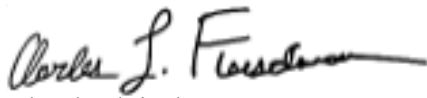
Mike Garcia
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Stephanie Bice
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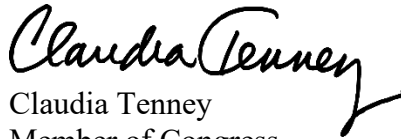
Jay Obernolte
Chairman
Subcommittee on Investigations &
Oversight



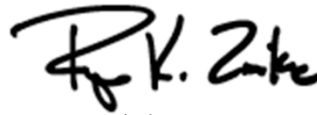
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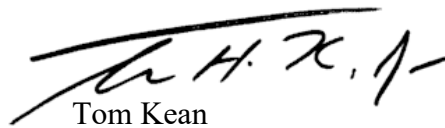
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Chairman
Subcommittee on Energy



Tom Kean
Member of Congress



Eric A. "Rick" Crawford
Member of Congress

cc: The Honorable Zoe Lofgren
Ranking Member
House Committee on Science, Space, and Technology