

# United States Regulation of Natural Gas Exports

Rob Smith  
Deputy Assistant Secretary  
Office of Oil & Natural Gas

November 2017



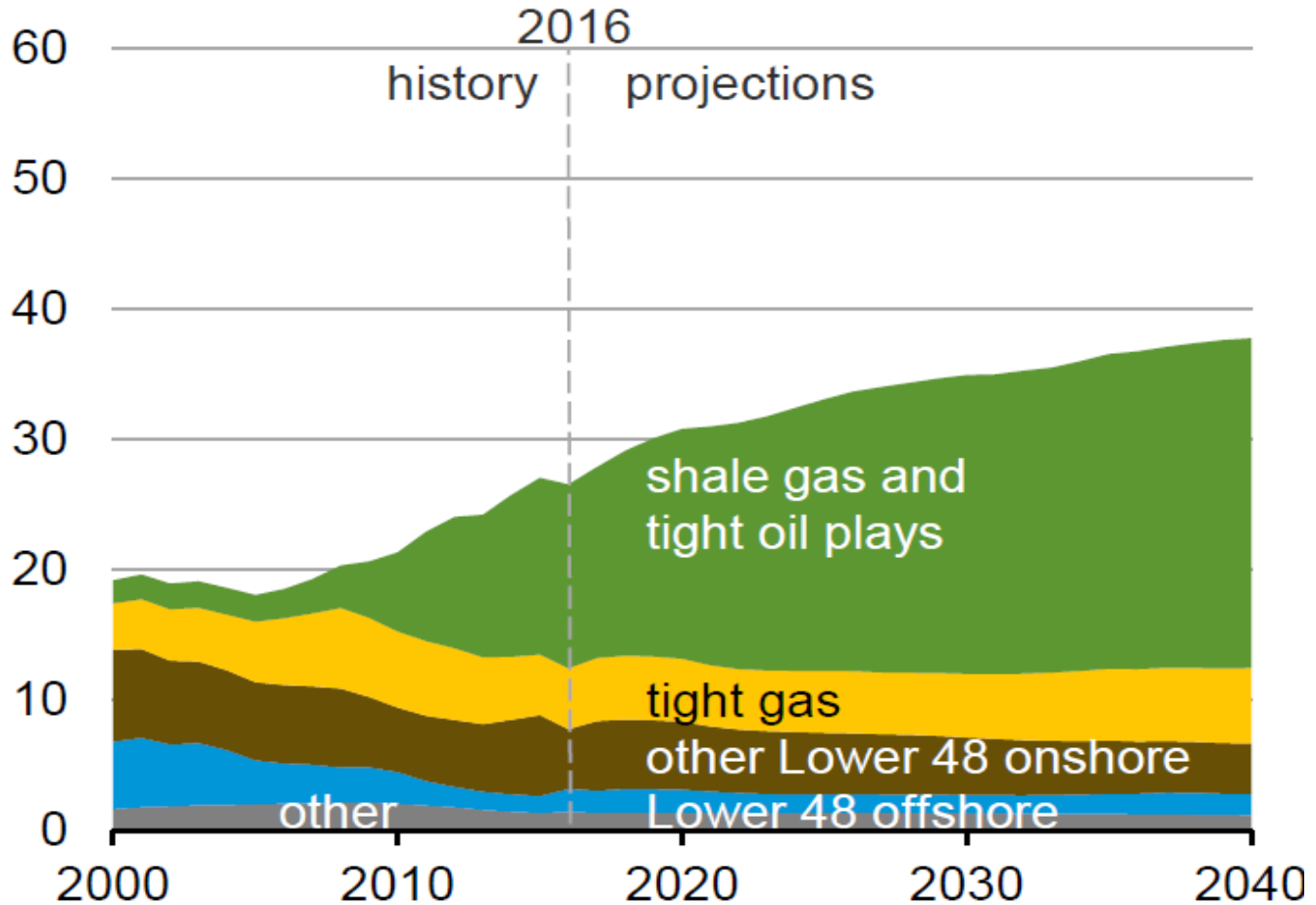
---

# Natural Gas Supply, Demand, Prices

---

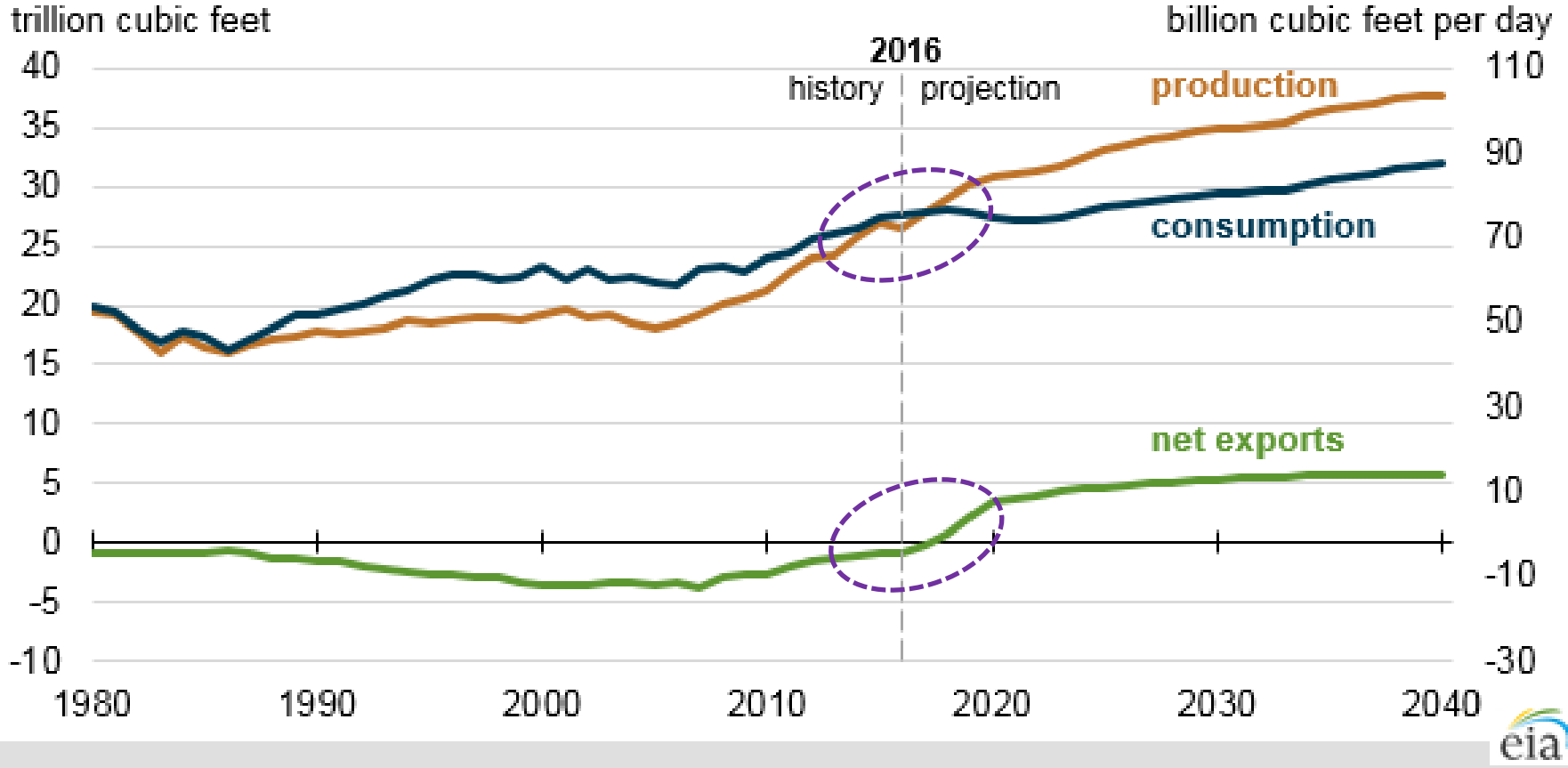
# ABUNDANT U.S. NATURAL GAS RESOURCES FOR DECADES TO COME

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



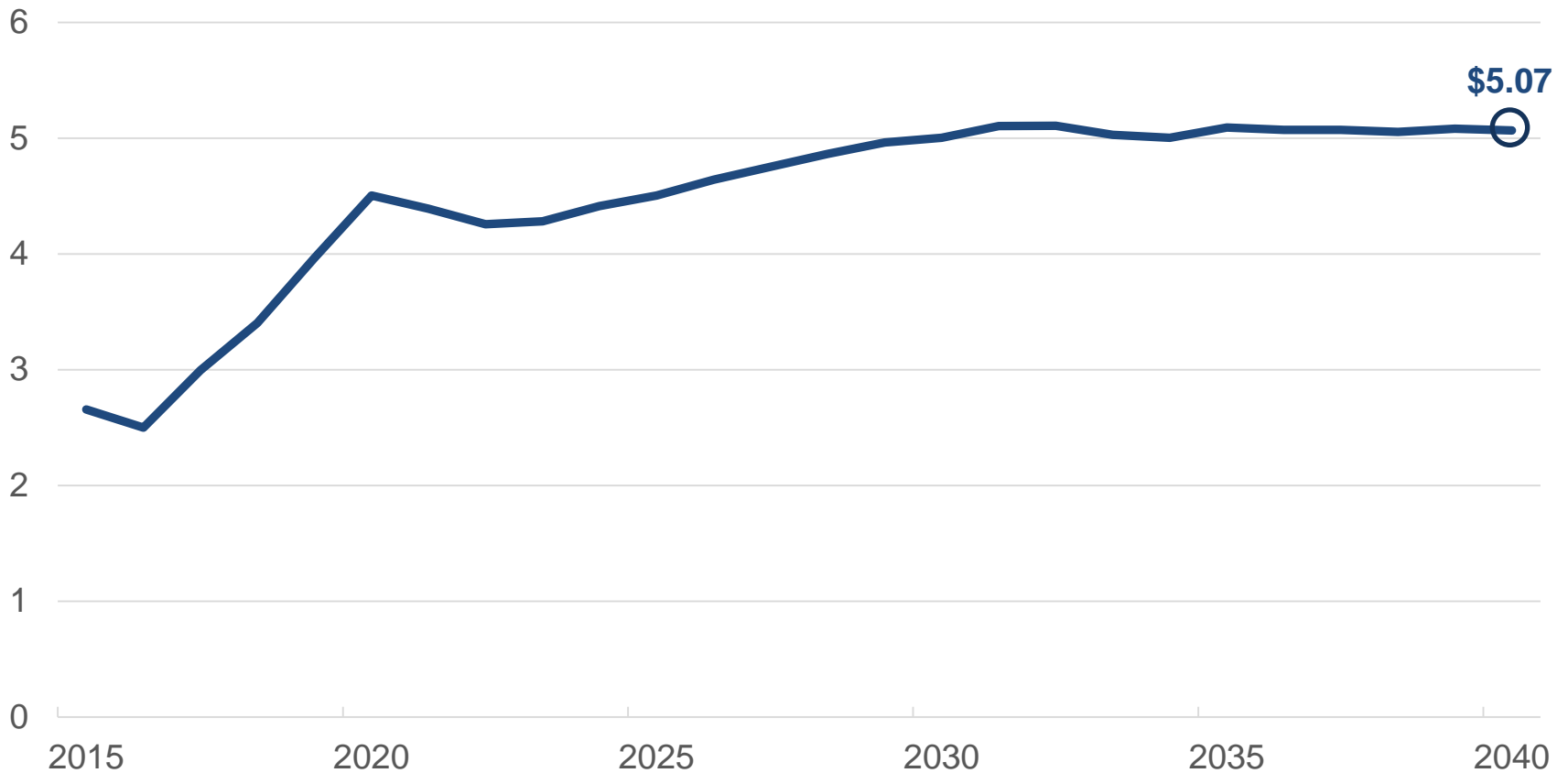
# U.S. BECOMING A NET EXPORTER OF NATURAL GAS

Natural gas production, consumption, and trade in the AEO2017 Reference case



# U.S. NATURAL GAS PRICES PROJECTED AT \$5 PER MMBTU THROUGH THE YEAR 2040

## Henry Hub Spot Price 2016 \$/MMBtu



---

# 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



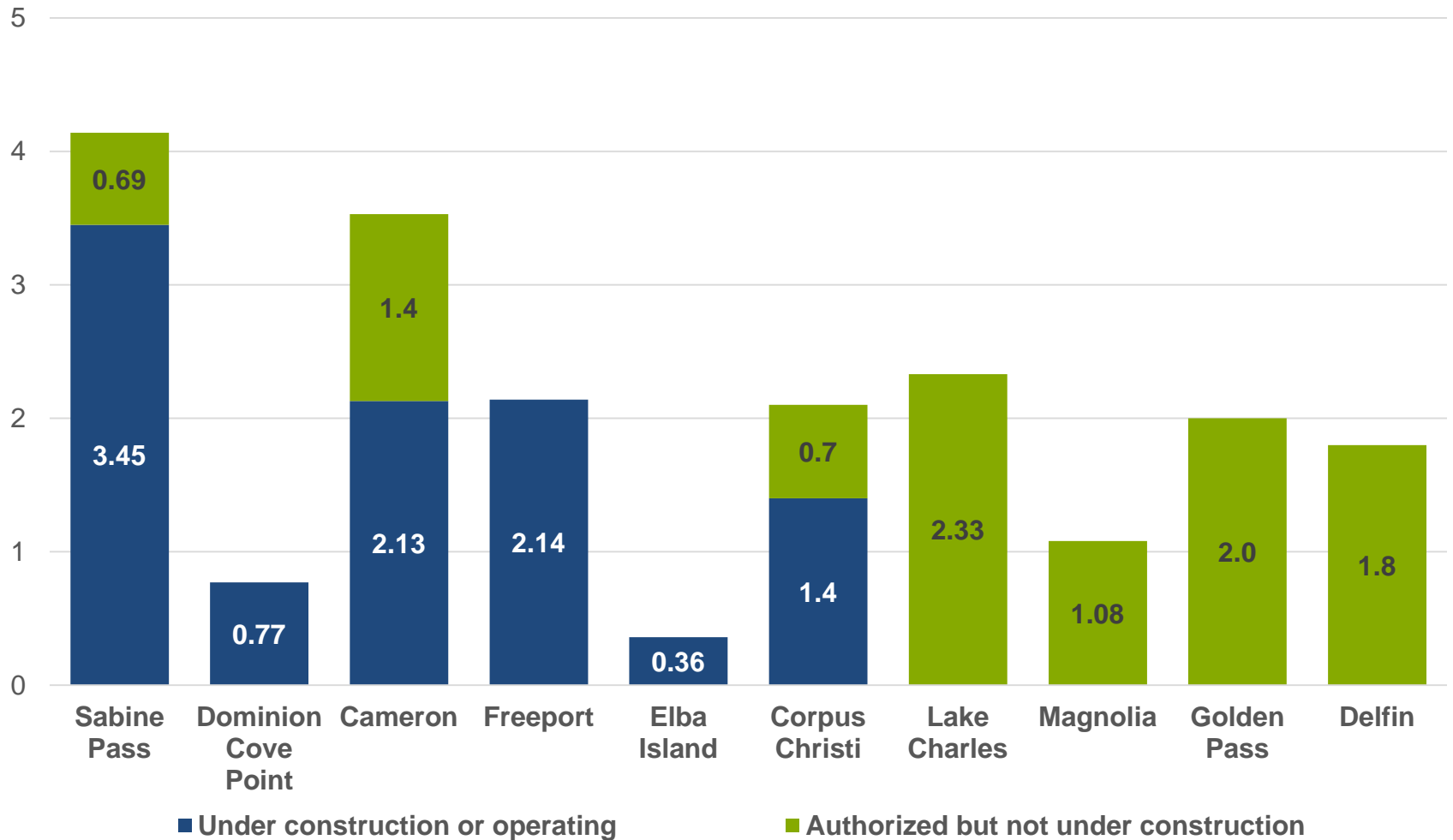
# PUBLIC INTEREST DETERMINATION EVALUATION CRITERIA FOR EXPORTS TO NON-FREE TRADE AGREEMENT COUNTRIES

## 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

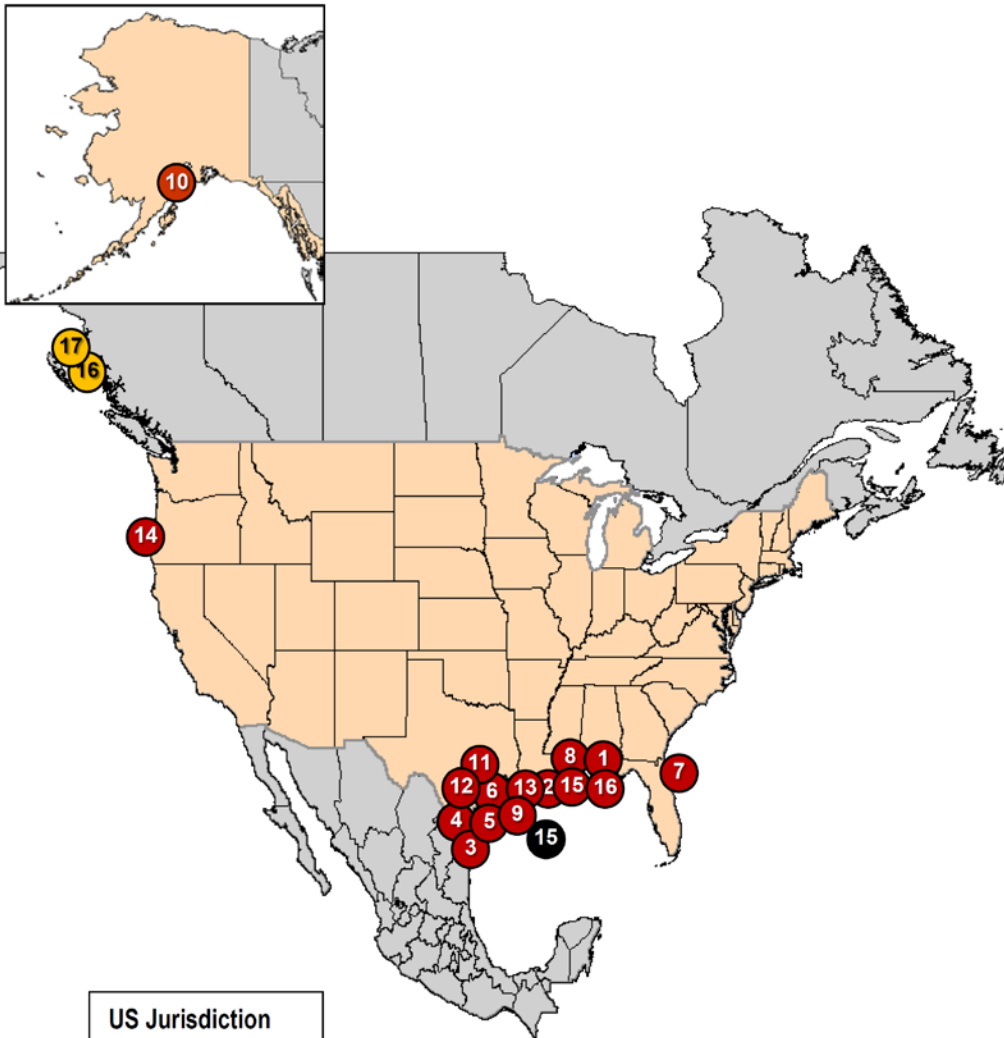
Approved Capacity  
Billion cubic feet per day



■ Under construction or operating

■ Authorized but not under construction

# North American LNG Export Terminals Proposed



**US Jurisdiction**

- FERC
- MARAD/USCG

**As of August 28, 2017**

**PROPOSED TO FERC**

**Pending Applications:**

1. Pascagoula, MS: 1.5 Bcfd (Gulf LNG Liquefaction) (CP15-521)
2. Cameron Parish, LA: 1.41 Bcfd (Venture Global Calcasieu Pass) (CP15-550)
3. Brownsville, TX: 0.55 Bcfd (Texas LNG Brownsville) (CP16-116)
4. Brownsville, TX: 3.6 Bcfd (Rio Grande LNG – NextDecade) (CP16-454)
5. Brownsville, TX: 0.9 Bcfd (Annova LNG Brownsville) (CP16-480)
6. Port Arthur, TX: 1.86 Bcfd (Port Arthur LNG) (CP17-20)
7. Jacksonville, FL: 0.132 Bcfd/d (Eagle LNG Partners) (CP17-41)
8. Plaquemines Parish, LA: 3.40 Bcfd (Venture Global LNG) (CP17-66)
9. Calcasieu Parish, LA: 4.0 Bcfd (Driftwood LNG) (CP17-117)
10. Nikiski, AK: 2.63 Bcfd (Alaska Gasline) (CP17-178)
11. Freeport, TX: 0.72 Bcfd (Freeport LNG Dev) (CP17-470)

**Projects in Pre-filing:**

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

**PROPOSED TO U.S.-MARAD/COAST GUARD**

15. Gulf of Mexico: 1.8 Bcfd (Delfin LNG)

**PROPOSED CANADIAN SITES**

16. Kitimat, BC: 1.28 Bcfd (Apache Canada Ltd.)
17. Douglas Island, BC: 0.23 Bcfd (BC LNG Export Cooperative)

[energy.gov/fe/services/natural-gas-regulation](https://energy.gov/fe/services/natural-gas-regulation)