




Department of Energy
Washington, DC 20585

May 29, 2014

MEMORANDUM

TO: ADAM SIEMINSKI
ADMINISTRATOR
ENERGY INFORMATION ADMINISTRATION

FROM: CHRISTOPHER SMITH 
PRINCIPAL DEPUTY ASSISTANT SECRETARY
OFFICE OF FOSSIL ENERGY

SUBJECT: Request for an Update of EIA's January 2012 Study of Liquefied
Natural Gas Export Scenarios

The Office of Fossil Energy (FE) requests the Energy Information Administration (EIA) to evaluate the impact of increased natural gas demand, reflecting possible exports of U.S. natural gas, on domestic energy markets using the modeling analysis presented in the *Annual Energy Outlook 2014 (AEO 2014)* as a starting point. The analysis should focus on the implications of additional natural gas demand on domestic energy consumption, production, and prices.

The updated study should address scenarios reflecting increases in export-related natural gas demand representing total lower-48 liquefied natural gas (LNG) exports of 12 billion standard cubic feet per day (Bcf/d), 16 Bcf/d, and 20 Bcf/d phased in at a rate of 2 Bcf/d per year starting in 2015. Understanding that the domestic natural gas market is sensitive to a number of factors, FE requests that EIA include sensitivity cases to explore some of these uncertainties. We are particularly interested in sensitivity cases relating to alternative recovery economics for shale gas resources, as in the *AEO2014 Low and High Resource* cases, a sensitivity case with additional natural gas use for electric generation, and a sensitivity case with increased baseline natural gas demand as in the *AEO2014 High Economic Growth* case.

The study report should review and synthesize the results obtained in the modeling work and include, as needed, discussions of context, caveats, issues and limitations that are relevant to the study. Please include tables or figures that summarize impacts on annual domestic natural gas prices, domestic natural gas production and consumption levels, domestic expenditures for natural gas and other relevant fuels, and revenues associated with the incremental export demand for natural gas. The standard *AEO 2014* reporting tables should also be provided, with the exception of tables reporting information that EIA considers to be spurious or misleading given the limitations of its modeling tools in



addressing the study questions.

We would like to receive the completed analysis as soon as possible. We also recognize that EIA may post the study on its website after providing it to us.

Thank you for your attention to this request.