

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY – OFFICE OF FOSSIL ENERGY AND CARBON MANAGEMENT

IN THE MATTER OF: Venture Global CP2 LNG, LLC

DOCKET NO.: 26-78-LNG

APPLICATION FOR: Authorization to Export Liquefied Natural Gas to Non-Free Trade Agreement Nations

SUBMITTED BY: Pete Klein, Domestic Economic Policy Advocate

Formal Public Comment Opposing Non-FTA Export Authorization

Executive Summary

This public comment is submitted in response to the Department of Energy (DOE) Office of Fossil Energy and Carbon Management's proceeding regarding Docket No. 26-78-LNG (Venture Global CP2 LNG Expansion Project). The applicant seeks long-term authorization to export domestically produced liquefied natural gas (LNG) to nations without a Free Trade Agreement (Non-FTA) with the United States.

Under Section 3(a) of the [Natural Gas Act \(15 U.S.C. § 717b\(a\)\)](#), the Department of Energy must issue an export authorization unless it finds that the proposed export "will not be consistent with the public interest." This comment demonstrates that granting authorization for the CP2 LNG Expansion Project violates this statutory standard. Specifically, cumulative domestic impacts—including severe price coupling between volatile foreign indices and domestic Henry Hub benchmark prices, systemic economic harm to U.S. manufacturing, increased utility bills for domestic ratepayers, and persistent procedural deficiencies—render the application contrary to the public interest. The DOE must perform a full cumulative economic analysis and stay or deny export authorization in Docket No. 26-78-LNG.

Section I: Public Interest Imbalance Under the Natural Gas Act

The legal frame governing DOE review of Non-FTA LNG export applications requires an affirmative determination that exports benefit the American public. Under the statutory standard codified in the [Natural Gas Act \(15 U.S.C. § 717b\)](#), public interest analysis cannot be limited to the narrow commercial interests of energy exporters or foreign purchasers. STATUTORY PUBLIC INTEREST BALANCE (15 U.S.C. § 717b)

[PROPOSED EXPORT BENEFITS] VS. [DOMESTIC PUBLIC BURDENS]

- Corporate Producer Revenues
- Domestic Industrial Margin Compression
- Direct Facility Employment
- Increased Household Utility Bills
- Trade Volume Metrics
- Price Coupling to Volatile Global Hubs

The fundamental purpose of the Natural Gas Act is to protect domestic consumers from exploitation at the hands of natural gas companies. Historical DOE public interest determinations relied on out-of-date macroeconomic studies that treated LNG expansion as a net positive, relying on outdated assumptions regarding supply elasticity and domestic demand resilience.

However, incremental volume expansions—such as the CP2 LNG project—push total approved U.S. export capacity beyond critical tipping points. When domestic production is tied to high-priced global markets, domestic consumers lose the protection of an isolated, affordable domestic energy market. The administrative record demonstrates that the net harm to American households, domestic manufacturing sectors, and grid reliability outweighs the localized commercial revenues generated by export entities.

Section II: Economic Harm to Domestic Main Street & Ratepayers

A. Price Coupling and Domestic Inflation

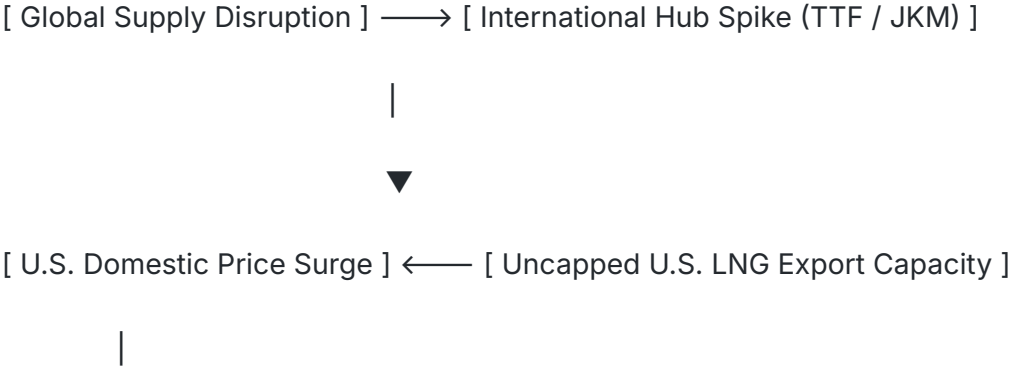
Analytical studies published by the [U.S. Energy Information Administration \(EIA\)](#) show a direct correlation between increased LNG export volumes and heightened price vulnerability across domestic Henry Hub markets. As total domestic natural gas production is increasingly tied to long-term foreign contracts, domestic spot prices experience international price coupling.

When international gas prices surge due to geopolitical instability or foreign supply disruptions, U.S. domestic natural gas prices experience upward pressure, forcing domestic consumers to compete directly with foreign purchasing power.

Metric / Scenario	Baseline (Low Export Volume)	Projected Impact (High Export Volume / CP2 Expansion)
Henry Hub Volatility Index	Low to Moderate	High (Direct Coupling to TTF/JKM Volatility)
Industrial Natural Gas Cost	\$2.50 – \$3.50 / MMBtu	\$5.50 – \$9.00+ / MMBtu (Estimated under supply squeezes)
Average Household Utility Bill Increase	Baseline Standard	+18% to +35% regional seasonal surge
Domestic Manufacturing Capacity Utilization	Optimal (Competitive Edge)	Reduced (Margin Compression)

B. Industrial Impact and Main Street Disadvantage

According to economic analysis conducted by the [Industrial Energy Consumers of America \(IECA\)](#), unrestricted natural gas exports operate as a direct reverse subsidy, transferring wealth from American manufacturing industries to global commodity traders. American energy-intensive, trade-exposed (EITE) manufacturers—including chemical, steel, paper, glass, and fertilizer producers—depend on stable, affordable natural gas supplies to maintain international competitiveness. GLOBAL ENERGY MARKET SPILLOVER MECHANISM



└─> Higher Household Heating & Electricity Rates

└─> Compressed Manufacturing Margins & Job Losses

High natural gas prices translate directly into increased raw material costs and electricity prices for domestic business owners and households. Increasing natural gas exports via facilities like CP2 compresses margins for domestic manufacturers, leading to potential domestic job losses, reduced capital investment, and increased inflationary pressures across the broader domestic supply chain.

Section III: Procedural Deficiencies & Lack of Verifiable Data

The administrative record accompanying Docket No. 26-78-LNG suffers from critical procedural and analytical gaps that prevent a lawful public interest determination:

1. Failure to Perform a Cumulative Economic Impact Study:

The DOE has routinely evaluated export applications on an isolated, project-by-project basis rather than assessing the aggregate impact of all approved, pending, and operational LNG terminals. The authorization of CP2 LNG without a modernized cumulative economic impact assessment violates basic administrative decision-making standards.

2. Inadequate Environmental and Lifecycle Analysis:

The economic and public health costs associated with upstream production, pipeline compression, fugitive methane emissions, and local air quality degradation are routinely excluded from cost-benefit balances. The public record lacks verifiable, third-party audited data quantifying these localized externalities on Gulf Coast communities.

3. Outdated Economic Modeling Assumptions:

Previous DOE economic studies relied on baseline models that assumed infinite domestic supply elasticity. Real-world market conditions, infrastructure bottlenecks, and capital discipline among domestic producers refute these assumptions, rendering older DOE-sponsored economic literature insufficient for this decision.

Section IV: Conclusion and Requested Action

The authorization of the Venture Global CP2 LNG Expansion Project (Docket No. 26-78-LNG) is inconsistent with the public interest as defined by Section 3(a) of the Natural Gas Act. Unrestricted expansion of LNG exports exacerbates price volatility, harms domestic industrial manufacturing, elevates utility costs for American families, and relies on an outdated regulatory evaluation framework.

Requested Actions:

- **Deny or Suspend Application:** The Department of Energy should deny authorization for Non-FTA exports under Docket No. 26-78-LNG, or place the application on an immediate administrative stay.
 - **Initiate Comprehensive Economic Re-evaluation:** The DOE must conduct an updated, independent, and peer-reviewed study evaluating the cumulative macroeconomic impacts of total authorized U.S. LNG exports on domestic consumers, ratepayers, and industrial manufacturers prior to taking final action on this or any pending Non-FTA export application.
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Formal Sign-Off

Respectfully submitted,

✉ Person

Pete Klein

Domestic Economic Policy Advocate

📍 Place

Date: 📅 Date