

**RECEIVED**

**By Docket Room at 1:57 pm, Nov 12, 2014**



November 12, 2014

Mr. John A. Anderson  
Office of Fossil Energy  
United States Department of Energy  
Docket Room 3F-056, FE-50  
Forrestal Building  
1000 Independence Avenue, SW  
Washington, DC 20585

RE: Alaska LNG Project LLC, Docket No. 14-96-LNG  
Support of Application for Long-Term Authorization to Export Liquefied Natural Gas

Dear Mr. Anderson:

On behalf of America's Natural Gas Alliance (ANGA), I write in support of the application filed by Alaska LNG Project LLC to export Liquefied Natural Gas (LNG) to both Free Trade Agreement and Non-Free Trade Agreement countries.

Representing North America's leading independent natural gas exploration and production companies, ANGA works with industry, government and customer stakeholders to promote increased demand for and availability of our nation's abundant natural gas resources for a cleaner and more secure energy future. The collective natural gas production of the ANGA member companies is approximately eight trillion cubic feet per year, which represents one third of the total annual U.S. natural gas supply.

The United States is experiencing an unprecedented energy transformation. The continued safe and environmentally responsible development of domestic natural gas is an important component of America's energy security and economic strength. Additionally, a strong natural gas export policy is essential to continuing America's energy progress. Since 2007, U.S. natural gas imports have decreased by 37 percent.<sup>1</sup> The U.S. is expected to become a net exporter of natural gas by 2018 and LNG facilities once used for imports are being converted to export facilities.<sup>2</sup> Natural gas supply is abundant and capable of sustaining significant increases in domestic consumption as well as exports. The volume of natural gas consumed in 2013 in the U.S. was 26 trillion cubic feet. The most recent projections show a range of technically recoverable gas using today's technology from 2,203 to 3,454 trillion cubic feet. Importantly, using today's technology, ICF International estimates more than 1,500 trillion cubic feet of dry gas recoverable at \$5 per MMBTU or less in the United States and Canada.<sup>3</sup> As technology continues to advance in unconventional drilling, reserve estimates will also continue to grow.

---

<sup>1</sup> EIA, U.S. Natural Gas Imports By Country, accessed October 3, 2014, [http://www.eia.gov/dnav/ng/ng\\_move\\_imp\\_c\\_s1\\_a.htm](http://www.eia.gov/dnav/ng/ng_move_imp_c_s1_a.htm)

<sup>2</sup> EIA, Annual Energy Review 2014, April 2014, MT-24, [http://www.eia.gov/forecasts/aeo/pdf/0383\(2014\).pdf](http://www.eia.gov/forecasts/aeo/pdf/0383(2014).pdf)

<sup>3</sup> ICF International, "U.S. LNG Exports: Impacts on Energy Markets and the Economy." May, 2013. pg. 44-45.

This abundant and affordable domestic natural gas also gives the United States an opportunity to become a leader in the international energy landscape, strengthening our foreign policy by offering energy supply diversity to our strategic allies. A robust American export policy will also help prevent supply disruptions. While U.S. LNG exports will not be available immediately, a stated commitment to a strong natural gas export policy will send a powerful global signal. The presumption of future supply will impact price expectations and the infrastructure investment decisions made today.

Increased LNG exports will also have domestic benefits for the United States. The NERA Economic Consulting study sponsored by DOE, along with EIA, finds that as the level of LNG exports increases from the U.S., so too does the level of economic benefits to the U.S.<sup>4</sup> A study conducted by ICF International found that for every billion cubic feet per day (bcf/d) of production increase due to LNG exports, 15,000 direct and indirect U.S. jobs are created.<sup>5</sup> The facilities themselves will also bring jobs. For instance, the Alaska LNG terminal has the potential to create between 9,000 and 15,000 jobs during the design and construction phases, along with 1,000 jobs for continued operations. Further, the project will invest approximately \$45 to \$60 billion in new facilities, equipment, and labor supporting economic growth and potentially generating billions of dollars in economic development and new tax revenue.<sup>6</sup> Similar benefits will be realized with each terminal that is constructed. ICF International also expects that LNG exports will contribute up to 665,000 net job gains nationwide and up to \$115 billion net gross domestic product value added to the U.S. economy by 2035.<sup>7</sup>

In addition to the economic and geopolitical benefits of LNG exports, natural gas also advances environmental goals. Carbon dioxide emissions in the U.S. declined 3.8 percent in 2012 - their lowest level since 1994.<sup>8</sup> This emissions reduction was due in large part to the increased use of natural gas by power generators. Natural gas is the cleanest burning fossil fuel and exporting U.S. LNG would help significantly reduce global greenhouse gas emissions (GHG).<sup>9</sup> Further, DOE's own study concluded that U.S. exported LNG has lower life-cycle GHG emissions than power generation from other Asian and European regional fossil fuels.<sup>10</sup> Encouraging the use of natural gas around the world will have an important effect on our climate change goals.

However, in order to take advantage of the numerous opportunities that LNG exports provides our nation, proper facility permitting and export licensing must occur without delay. Global demand for natural gas is expected to increase between 18 bcf/d and 38 bcf/d by 2025. Proposed new global LNG capacity outside the U.S. is approximately 50 bcf/d. Given the disparity between expected global demand and proposed capacity worldwide, many of the proposed facilities across the world will not be built. Those facilities that are able to come online sooner will have a competitive advantage in serving expected global LNG demand.

---

<sup>4</sup> NERA Economic Consulting, "Macroeconomic Impacts of LNG Exports from the United States," Dec. 2012, 1.

EIA, "Effect of Increased Levels of Liquefied Natural Gas Exports on U.S. Energy Markets," Oct. 2014, 12.

<sup>5</sup> American Clean Skies Foundation, "Tech Effect: How Innovation in Oil and Gas Exploration is Spurring U.S. Economy", ICF International, October 2012, 4.

<sup>6</sup> "Fueling Alaska's Future", Alaska LNG, accessed Nov. 2014, <http://www.ak-lng.com/>.

<sup>7</sup> ICF International, "U.S. LNG Exports: State-Level Impacts on Energy Markets and the Economy," Nov. 13, 2013, Key Findings.

<sup>8</sup> U.S. Energy Information Administration, "U.S. Energy-Related Carbon Dioxide Emissions, 2012," October 21, 2013, 1.

<sup>9</sup> ICF International, "Lifecycle GHG Emissions from LNG Exports," February 2014, 1.

<sup>10</sup> U.S. Department of Energy, "Life Cycle Greenhouse Gas perspective on Exporting Liquefied Natural Gas from the United States," May 29, 2014, 9.

For these reasons, ANGA supports Alaska LNG's application for export. America's abundant, affordable natural gas supply can support significant demand growth across several sectors of the economy including power generation, manufacturing, and transportation. Additionally, the United States can increase our natural gas exports while continuing to take advantage of this abundant, affordable resource domestically. Approving LNG exports from the Alaska LNG terminal and other export facilities will strengthen our economic growth and energy security. Thank you for your consideration of our views on this matter. ANGA is available to address any questions or concerns that the Department may have.

Sincerely,

A handwritten signature in black ink, appearing to read 'Frank J. Macchiarola', with a long horizontal flourish extending to the right.

Frank J. Macchiarola  
Executive Vice President, Government Affairs  
America's Natural Gas Alliance