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

ELECTRONIC FILING SENT VIA EMAIL

**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:

The Natural Gas Supply Association (NGSA) supports the July 18, 2014 application filed by Alaska LNG Project LLC (Alaska LNG) for long-term authorization to export approximately 2.55 billion cubic feet per day (BCFD) of LNG produced from Alaskan sources.

U.S. marketed natural gas production surpassed all time record levels in 2011, exceeding 70 BCFD currently, and it is still growing. In recent years, the U.S. has emerged as a world leader in natural gas production. Over the last five years, Lower-48 marketed natural gas production levels have increased more than 25 percent, paving the way for U.S. manufacturing growth and reduced carbon emissions from the electricity generation sector. Growth in natural gas supplies, expansive natural gas delivery infrastructure, unrivalled natural gas storage capability, and robust natural gas commodity markets have facilitated increased use of natural gas by U.S. industry and utilities.

Alaskan natural gas production accounts for less than 2 percent of total U.S. marketed natural gas production, however, it is geographically isolated from the Lower-48 States. As such, Alaska LNG expects that the natural gas made available for export will be produced in excess of regional demand. The anticipated resource is not otherwise interconnected with Lower-48 natural gas markets. Without a doubt, the geographical isolation of the Alaskan natural gas production and Alaska LNG project allows the Alaska LNG

project to stand on its own merits without regard to the cumulative impact of LNG exports on the Lower-48 states. Nevertheless, there is a bigger picture.

Consumption of natural gas in the U.S. industrial sector now exceeds pre-recession levels, indicating an economic revival of U.S. manufacturing. Additionally, market-driven natural gas consumption for the generation of electricity helped the U.S. to achieve power sector carbon emissions reductions that were below 2005 levels.

Growth in U.S. manufacturing is evidence of the strong link between growing natural gas supplies and economic health. U.S. natural gas exports extend the economic benefits that stem from robust U.S. natural gas production to the rest of the world, fueling the world economy that will in turn help continue U.S. economic growth. Citing the 2014 National Economic Research Associates (NERA) study, the Progressive Policy Institute's October 2014 Policy Memo "Exporting U.S. Natural Gas: The Benefits Outweigh the Risks" by Derrick Freeman explains the economic benefits that result from increased levels of LNG exports.

Although U.S. LNG import levels are now a fraction of the peak levels of a decade ago, LNG imports continue to be a cost-effective peaking supply source that remains important to reliability in constrained U.S. natural gas markets. For this reason alone, U.S. natural gas consumers benefit from a robust world LNG market.

Perhaps most importantly, the LNG export capability provides a long-term signal for U.S. natural gas producers to continue natural gas supply growth. LNG export capability assures a long-term and diverse market for natural gas, making U.S. supplies even more resilient to short-term changing U.S. market conditions.

NGSA is a trade association that represents integrated and independent companies that produce and market domestic natural gas. NGSA encourages the use of natural gas within a balanced national energy policy, and promotes the benefits of competitive markets, to ensure reliable and efficient transportation and delivery of natural gas and to increase the supply of natural gas.

NGSA members market natural gas to a wide range of customers, all of whom currently benefit from its current abundance in the new era of shale development. Natural gas resources are always evolving and usually growing. As technology has improved, the ability to detect and extract natural gas has also improved, boosting resource estimates. If the 1966

resource estimate of 600 trillion cubic feet (TCF) had remained static, the U.S. would have run out of natural gas 10 years ago. Instead, estimates doubled by 2002 and in 2013 grew to nearly 2,400 TCF. There is more than enough natural gas to accommodate both exports and domestic consumers to the benefit of the U.S. economy.

Alaska LNG frees geographically captive U.S. natural gas resources, allowing the U.S. resource to compete in the global LNG market. Robust world LNG markets fuel the world economy thus furthering U.S. economic growth. NGSA looks forward to participating in the Department of Energy discussions about natural gas markets. If we can provide any additional information, please do not hesitate to call.

Sincerely,



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