Expanded Gas Exports Threaten Climate, Communities, and the Economy

Russia's invasion of Ukraine has shown that it's imperative for the US and its allies to move away from risky fossil fuels and towards cheaper, cleaner, and more secure renewable energy. In the short term, the US can support Europe's transition away from Russian fossil fuels with existing export capacity and an acceleration of renewable energy production. Europe can transition to renewables faster than the US can build additional LNG export infrastructure, and additional LNG infrastructure would lock in decades of dependence on fracked gas that will put climate targets out of reach, subject the US to continued energy and economic insecurity, and burden vulnerable Gulf Coast communities and ecosystems with increased pollution.

Building increased export infrastructure will not help our European allies quickly transition away from Russian fossil fuels.

- US LNG export terminals take three to five years to build,[1] which will do nothing to help Europe in the short term.
- The 15 billion cubic meters (bcm) the US has agreed to help the EU secure in 2022 can be met with existing US facilities. No new export facilities are necessary.[2]
- Clean energy solutions can replace the vast majority of Europe's Russian gas imports by 2025.[3]

Expanding or building new LNG facilities will put national and global climate goals out of reach.

- There is no room for investment in new fossil fuel production—including gas—if we are to reach net zero by 2050, keeping the world on a 1.5°C compatible pathway.[4]
- Expanding fracked gas development would make it nearly impossible for the US to meet its target of reducing emissions 50 to 52 percent by 2030, or to reach net zero power sector emissions by 2035.
- If the US were to build the 18 proposed LNG export facilities[5] facing strong community opposition, this would mean an additional nearly 1,500 million metric tons of greenhouse gases, equivalent to the annual emissions from over 320 million cars or 370 coal plants.[6]
- LNG export facilities are built to last 20 to 40 years. Expanding or building such facilities will lock in decades of emissions.[7]

Adding carbon capture and storage (CCS) does not meaningfully address LNG's climate impacts.

- CCS does not address the vast majority of LNG emissions, which come before and after the gas reaches the terminal, during extraction, processing, transportation, liquefaction, shipping, and use overseas.

Expanding LNG exports does not make economic sense for the US.

- The majority of LNG projects under construction globally—many of which are in the US—are at risk of becoming stranded assets, to the tune of $75 billion, according to the International Energy Association (IEA).[8]
- Pouring money into new fracked gas export infrastructure threatens banks' bottom lines as the gas sector becomes increasingly volatile and risky.[9]

Building proposed export facilities is a public health risk and runs counter to the administration's environmental justice goals.

- In addition to greenhouse gas emissions, the LNG production cycle (fracking, transporting, liquefying) releases pollutants that contaminate air and water, causing disease.
- The majority of proposed LNG export facilities are located in communities along the Gulf Coast that are in the top 25th percentile of minority or low-income populations, air toxics cancer risk, and/or hazard index, according to the EPA's EJScreen. This region has also been particularly vulnerable to hurricanes and other extreme weather.
- Communities are speaking out to say that they do not want more LNG facilities, and raising concerns about their impacts on health and ecosystem.

We urge Congress and the Biden administration to protect our climate and communities from expanded gas exports

- The Department of Energy (DOE) should end the greenlighting of LNG export projects that are inconsistent with the public interest as enumerated in the Natural Gas Act. It should require **robust greenhouse gas accounting and full life-cycle greenhouse gas analyses** in permit applications for proposed LNG export facilities.
- The Federal Energy Regulatory Commission (FERC) should ensure that all greenhouse gas emissions associated with LNG exports are incorporated into project reviews.
- Congress and the administration should **end taxpayer financing and subsidies** for LNG export terminals, including: 45Q tax credits for CCS,[10] support for "Advanced Fossil Energy" under the DOE's Title 17 Innovative Technology Loan Program, and funding from the Office of Fossil Energy's research program.
- The DOE should reverse rulemaking proposed by the Trump administration that would categorically exclude LNG exports from environmental review under the National Environmental Policy Act, and the Department of Transportation should reverse rulemaking authorizing LNG transport by rail.
- Across government, **environmental justice considerations** should be taken into account to ensure that low-income communities of color communities do not suffer disproportionately from hazardous pollution.
- To protect Americans from the risk of undisclosed stranded assets and other climate-related financial risk, Congress and the administration should do everything it can to **support the Securities and Exchange Commission's proposed climate risk disclosure rule**.
- To achieve long-term energy independence, Congress should **prioritize investments in clean energy**, including through a reconciliation package that would invest in Americans struggling with the interlocking crises of climate change and the COVID-19 pandemic, as well as economic, racial, and environmental injustice.

BASIC FACTS ON GAS EXPORTS IN THE US

- Currently there are: **7 existing** LNG export terminals, **2 under construction, 14 approved** but not yet under construction, **5 pending** FERC review**, 2 in pre-filing**.[11]
- **142 bcm:** Expected peak LNG export capacity from the US by 2022, making the US the world's largest LNG exporter. By the end of 2024 it could be as high as **168 bcm**.[12]
- The largest share of US LNG exports have gone to Asia: in 2021, **13%** went to South Korea, **12%** to Japan, **9%** to China.[13]
- **26%:** Percentage of Europe's total LNG supply coming from the US in 2021.[14]

1 https://globalenergymonitor.org/report/how-long-does-it-take-to-build-an-lng-export-terminal-in-the-united-states/
2 http://ieefa.org/wp-content/uploads/2022/04/The-US-Can-Increase-LNG-Exports-to-Europe_April-2022.pdf
3 https://www.e3g.org/publications/eu-can-stop-russian-gas-imports-by-2025/
4 IEA net zero by 2050 and IPCC A6 WGIII https://www.ipcc.ch/report/ar6/wg3/; https://www.iea.org/reports/net-zero-by-2050
5 Plaquemines LNG, Port Fourchon LNG, Pointe LNG, Port Arthur LNG (phases I&II), Commonwealth LNG, Delta LNG, Rio Grande LNG, Texas LNG, Cheniere LNG Corpus Christi, Driftwood LNG, Lake Charles LNG, Magnolia LNG, Cameron LNG Expansion, Freeport LNG, CP2 LNG, Delfin LNG, and Alaska Gasline LNG
6 Sierra Club analysis
7 https://www.energy.gov/sites/default/files/2018/03/f49/Global%20LNG%20Fundamentals%2C%20Updated%203.15.18.pdf
8 https://iea.blob.core.windows.net/assets/4ed140c1-c3f3-4fd9-acae-789a4e14a23c/WorldEnergyOutlook2021.pdf
9 https://ieefa.org/as-fossil-fuel-prices-skyrocket-globally-renewables-grow-steadily-cheaper/
10 An IRS investigation found that between 2010 and 2019, 87 percent of the tax credits, worth almost $900,000, were claimed improperly without complying with EPA monitoring, reporting, and verification requirements.
11 FERC https://www.ferc.gov/natural-gas/lng
12 US Energy Information Administration
13 Ibid
14 Ibid

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