

Timely thematic topic:

Despite recent headlines U.S. LNG energy exports are expected to double

Biden administration's indefinite pause does NOT impact existing construction projects

EVENT:

On 1/26/24, President Biden announced a temporary pause on pending decisions of Liquefied Natural Gas (LNG) exports.

ANALYSIS:

The Biden administration's indefinite pause on new Department of Energy approvals for LNG exports does NOT impact existing construction projects. U.S. LNG exports remain on track to double over the next five years.¹

Why will they double?

- U.S. LNG exports improves global energy security as U.S. natural gas is becoming Europe's primary energy supply source replacing Russia.
- U.S. LNG exports reduce global carbon emissions as natural gas typically displaces coal to generate electricity in countries such as China and India.
- Higher U.S. LNG exports assists in reducing the overall trade deficit.

BACKGROUND:

Global demand for liquefied natural gas (LNG) has surged since 2016 as countries and companies look for cost efficient and effective solutions to reduce carbon emissions. Carbon emissions decline when coal is replaced by natural gas as an energy supply source.

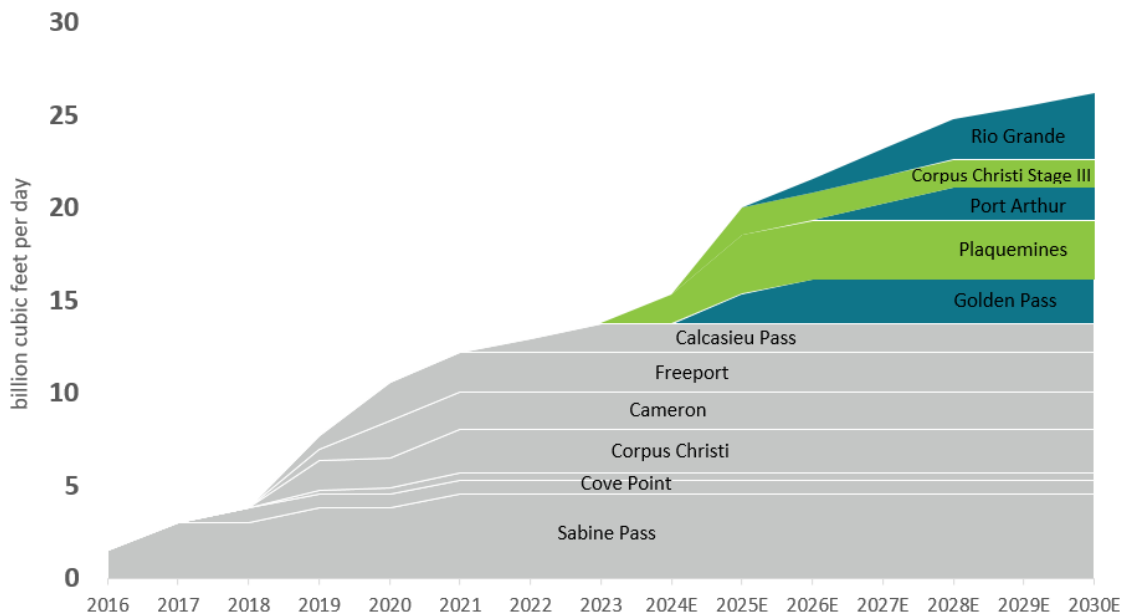
The discovery of natural gas produced from U.S. shale formations has significantly increased the available supply thereby keeping natural gas prices low. As a result, the U.S. has become the largest exporter of LNG in the world (even surpassing Qatar) with demand growth coming from regions all around the world including Asia, Europe and South America.

Global natural gas demand and LNG demand is forecasted to continue to grow for the foreseeable future as coal still represents almost 30% of the current global energy supply.² Countries and companies will continue to buy LNG from the U.S. as we have become a reliable supplier of low-cost LNG.

The illustration below highlights in gray the current U.S. LNG export capacity that approximates 14 billion cubic feet per day. The U.S. is forecasted to potentially double its LNG export capacity by 2030 from the LNG facilities listed on the chart. The U.S. will retain its status as the largest exporter of LNG in the world.

U.S. LNG Liquefied Natural Gas Export Capacity

Source: EIA



Source: Energy Information Administration as of December 31, 2023. This chart contains projections. There is no guarantee these projections will be met.

¹Source: Energy Information Administration

²Source: 2023 Statistical Review of World Energy

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