

IADC Briefing Book

LNG Permitting



Liquefying natural gas is a way to move natural gas long distances when pipeline transport is unavailable. Geographies that are too far away from places that produce natural gas are able to access it through LNG, which is shipped in special tankers and returned to its gaseous state on arrival. [1] Importing and exporting liquefied natural gas in the U.S. is governed by the U.S. Department of Energy, the Federal Energy Regulatory Commission and the U.S. Maritime Administration. In January 2015, the U.S. House passed the LNG Permitting Certainty and Transparency Act, which aimed to streamline the process for natural gas export projects. [3]

Key Messages

- Since 2005, natural gas production in the U.S. has increased 42%. The U.S. Energy Information Administration (EIA) projects a 49% increase in total natural gas production in the U.S. from 2014 to 2035. [2]
- According to the EIA, in 2015, 28 billion cubic feet of LNG was exported from the U.S. Most U.S. natural gas exports go to Canada and Mexico by pipeline, accounting for 98% of US natural gas exports. [1]
- Expanding the U.S. ability to export LNG has the potential to create jobs, strengthen the U.S. economy and enhance national and energy security. It introduces an alternate reliable source of energy to the global marketplace, and could help curb the use of energy as a political weapon.
- Applications for LNG export projects have moved at a slow and tedious pace. The most recent legislation calls for an end to the bureaucratic red tape, streamlining the process for LNG export projects and requiring the DoE to expedite their application decisions. This would eliminate some of the issues that make it difficult for industry to grow and remain a leader in energy production and exportation. [3, 5]
- The environmental review process for export projects at the Federal Energy Regulatory Commission can take between 18 to 30 months and cost \$100 million. [4]

Other Resources

1. U.S. Energy Information Administration:
http://www.eia.gov/energyexplained/index.cfm?page=natural_gas_lng
2. US Energy Information Administration 2016 Forecast (page 8):
https://www.eia.gov/forecasts/ieo/pdf/nat_gas.pdf
3. LNG Permitting Certainty and Transparency Act:
<http://energycommerce.house.gov/sites/republicans.energycommerce.house.gov/files/14/BILLS-114hr351ih.pdf>
4. FuelFix: <http://fuelfix.com/blog/2014/07/22/industry-pans-feds-plan-for-gas-exports/>
5. Brookings Institute: <https://www.brookings.edu/articles/does-new-procedure-for-approving-lng-export-permits-a-more-sensible-approach/>

