



Summary of H.R. 4606

ENSURING SMALL SCALE LNG CERTAINTY AND ACCESS ACT

Committee on Energy and Commerce, Democratic Staff

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H.R. 4606, the “Ensuring Small Scale LNG Certainty and Access Act,” is another unnecessary pro-fossil fuel bill. It would needlessly enshrine in statute a Trump Administration rule deeming certain exports of liquefied natural gas (LNG). Passing another bill to expand LNG exports would encourage widespread fossil fuel extraction, leading to higher domestic natural gas prices, as well as serious climate, public health, and economic consequences for American consumers and manufacturers.

The Small-Scale LNG Rule Puts Oil and Gas Profits Before American Consumers and Manufacturing.

In July, the Department of Energy (DOE) finalized a rule to automatically approve applications to export less than 0.14 billion cubic feet per day (Bcf/d) of LNG. It declares that all small-scale exports are always in the public interest, removes longstanding consumer protections of the Natural Gas Act (NGA), prevents the public from having an opportunity to know about or provide input on export proposals, and violates the public hearing requirements of the NGA. Rather than stand up for American consumers and manufacturers who benefit from low natural gas prices, the Trump Administration is boosting the profits of oil and gas special interests by allowing them to export LNG without any regard for domestic impacts.

The Bill is Rushing to Enshrine a Prescriptive and Problematic Rule.

This bill is intended to codify DOE’s Small-Scale LNG rule, but proponents have not justified the need for swift Congressional action on a rule that was just finalized. There are drawbacks to codifying a rule with such a prescriptive volume requirement. For example, should the circumstance arise where exporting 0.14 Bcf/d of LNG is no longer in the public interest, Congress would then have to enact a new law to make any necessary changes. Congress should allow this rule to be fully implemented before even considering such a drastic measure.

The Bill is Unnecessary Because DOE is Aggressively Approving LNG Exports.

To date, DOE has approved 29 applications to export LNG to countries without a Free Trade Agreement. The approved applications authorize the export of over 21 Bcf/d of LNG, and the pending applications collectively seek an additional 32.7 Bcf/d of LNG. In fact, the United States has emerged as one of the largest exporters in the world, and the Trump Administration has given no indication of changing that trajectory. DOE’s process has allowed it to approve numerous applications, while preserving the public’s ability to review and provide input on individual applications. The Small-Scale LNG rule fails to justify any of its sweeping changes to the existing approval process – Congress would be foolish to follow suit.

Unrestricted LNG Exports Would Harm American Consumers, Manufacturers, and the Climate.

An unrestricted export policy could lead to even higher levels of LNG exports, which could have significant impacts on domestic natural gas prices and adversely affect American consumers and manufacturers. Unfettered exports would also exacerbate climate change by encouraging more fossil fuel extraction and displacing carbon-free sources of power. High methane leak rates and increased demand for U.S. LNG exports would likely offset any climate benefits associated with natural gas use. For Congress and the Trump Administration to prioritize such a policy at a time when methane pollution from U.S. oil and gas operations is expected to warm the planet as much as coal, is completely reckless.