Industrial Energy Consumers of America (IECA)
The Voice of the Industrial Energy Consumers

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June 10, 2025

The Honorable Mike Lee
Chairman
Committee on Energy and Natural Resources
U.S. Senate
Washington, DC 20510

The Honorable Martin Heinrich
Ranking Member
Committee on Energy and Natural Resources
U.S. Senate
Washington, DC 20510

Re: One Big Beautiful Bill Act – Manufacturers Oppose House LNG Provision that Removes the Natural Gas Act "Public Interest" Consumer Protections

Dear Chairman Lee and Ranking Member Heinrich:

We urge you to not include Section 41002, Natural Gas Exports and Imports of H.R. 1 in the Senate Reconciliation Bill. Section 41002 removes the longstanding consumer protection clause that requires the U.S. Department of Energy (DOE) to determine whether an application to export to non-free trade agreement (NFTA) countries is not in the public interest. About 80 percent of all LNG exports go to NFTA countries. Section 41002 says that for a payment of $1 million dollars, the application to export "shall be deemed to be in the public interest" and approved. The DOE would no longer evaluate impacts on U.S. prices or reliability for natural gas and electricity or protect U.S. consumers (see Figure 1).

The provision is inconsistent with the intent of President Trump and Congress to deliver affordable and reliable natural gas and electricity. Section 41002 is not an "America First" policy – it is an "America Last" policy. It puts LNG exports as a priority over the interests of U.S. consumers and the economy. Prices are already increasing. The Energy Information Administration (EIA) forecasts the 2026 Henry Hub natural gas price to increase to $4.90/MMBtu versus $2.20/MMBtu in 2024.

The DOE has already approved a significant volume equal to 48 Bcf/d for shipment to NFTA countries, which equals 51 percent of 2024 net supply.[1] EIA forecasts LNG exports to double by 2027 (see Figure 2). For perspective, the U.S. only exports 10 percent of its gasoline. For crude oil we export 1,504,021 thousand barrels annually, while importing 2,411,293 thousand barrels, for a net import of 18.8 percent of production.[2]

[1] Summary of LNG Export Applications of the Lower 48 States, U.S. Department of Energy, https://www.energy.gov/fecm/articles/summary-lng-export-applications-lower-48-states
[2] Petroleum & Other Liquids, U.S. Energy Information Administration (EIA), https://www.eia.gov/petroleum/

The stakes are high. For every one dollar increase in the Henry Hub natural gas price, consumers pay on average $34 billion more for natural gas and $20 billion more for electricity, or $54 billion annually.[3] One hundred percent of our member companies are from the manufacturing sector and are price sensitive. Congress must be diligent to ensure that exports do not impact manufacturing competitiveness (see Figure 3).

The long-term macroeconomic studies conducted by the DOE and independent parties that conclude that LNG exports do not impact domestic prices are not correct because the impacts are short-term, as described below. They also fail to acknowledge that natural gas demand is extremely seasonal (see Figure 4) and that the number one determination of price is inventory levels. If winter inventories are high, prices are low and vice versa. The studies also assume that natural gas pipeline capacity is available to supply both exports and U.S. consumers. Also, a flawed assumption.

EIA data proves that LNG export volumes are highest during our winter peak heating season months of November through March, which accelerates a reduction in U.S. inventory, increasing the prices of U.S. natural gas and electricity and reducing reliability. The severity of the problem increases as export capacity increases (see Figures 5-6).

Macroeconomic studies also do not consider that LNG customers are countries who are insensitive to price and will pay any price to keep the lights on in their country. No matter how high U.S. prices will go, they will buy away our natural gas even when our winter inventories fall and prices rise. The LNG 20-year contracts shift supply and price risk from LNG buying countries to U.S. consumers and the economy. No U.S. entity has 20-year contracts, not even electric utilities.

We need Congress to protect U.S. consumers and the economy – not LNG exports. We ask that you not remove consumer protections. Finally, we urge the DOE to implement a policy to insulate U.S. consumers from the impacts of LNG exports. IECA has proposed the "America First LNG Inventory Policy" as a policy solution.[4]

Sincerely,

Paul N. Cicio
Paul N. Cicio
President & CEO

cc: U.S. Senate
The Honorable Chris Wright, U.S. Department of Energy

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[3] Natural Gas, U.S. Energy Information Administration (EIA), https://www.eia.gov/naturalgas/
[4] America First LNG Inventory Policy, Industrial Energy Consumers of America, https://www.ieca-us.org/wp-content/uploads/05.08.25_LNG-Inventory-Policy-to-Insulate-the-US-Market-from-LNG-Export-Impacts_FINAL.pdf

The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with $1.3 trillion in annual sales, over 12,000 facilities nationwide, and with more than 1.9 million employees. One hundred percent of IECA members are manufacturing companies whose competitiveness is largely determined by the cost and reliability of natural gas and electricity. IECA's sole mission is to reduce and avoid energy costs and increase energy reliability through advocacy in Congress and regulatory agencies, such as the Federal Energy Regulatory Commission (FERC). IECA membership represents a diverse set of industries including chemicals, plastics, steel, iron ore, aluminum, paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, consumer goods, building products, automotive, independent oil refining, and cement.

Figure 1

House of Representatives: One Big Beautiful Bill Act: H.R.1
SEC. 41002. NATURAL GAS EXPORTS AND IMPORTS.
Section 3 of the Natural Gas Act (15 U.S.C. 717b) is amended by adding at the end the following: ''(g) CHARGE FOR EXPORTATION OR IMPORTATION OF NATURAL GAS.— The Secretary of Energy shall, by rule, impose and collect, for each application to export natural gas from the United States to a foreign country with which there is not in effect a free trade agreement requiring national treatment for trade in natural gas, or to import natural gas from such a foreign country, a nonrefundable charge of $1,000,000, and, for purposes of subsection (a), the importation or exportation of natural gas that is proposed in an application for which such a nonrefundable charge was imposed and collected shall be deemed to be in the public interest, and such an application shall be granted without modification or delay.''

Figure 2

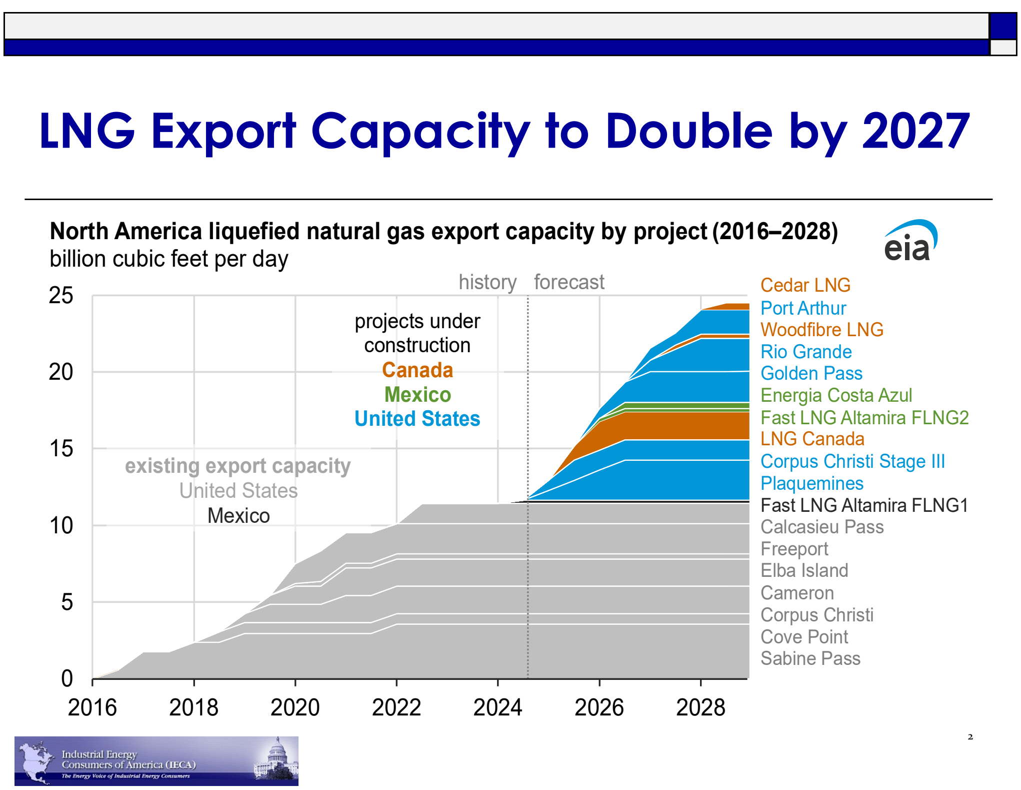

Figure 3

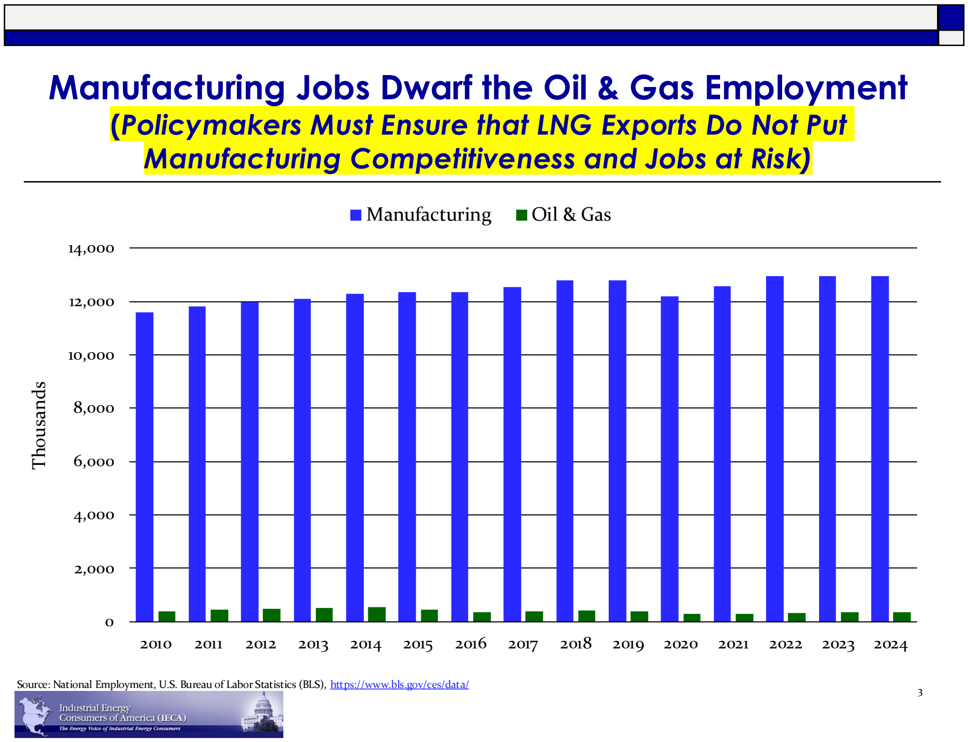

Figure 4

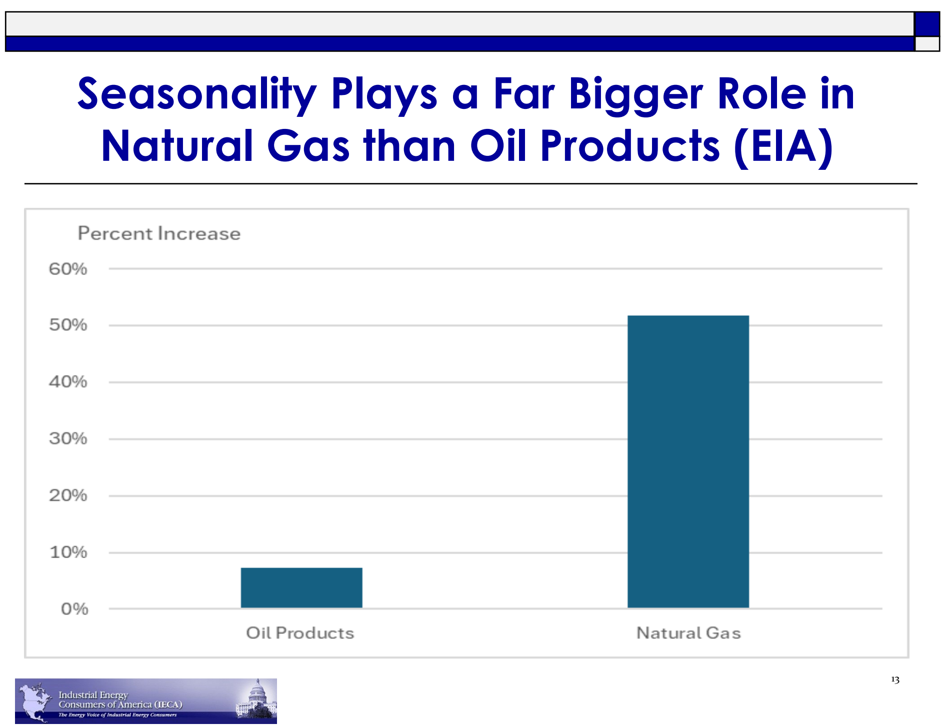

Figure 5

LNG Exports are Highest During Winter Months Which Increases Natural Gas and Electricity Prices (EIA)

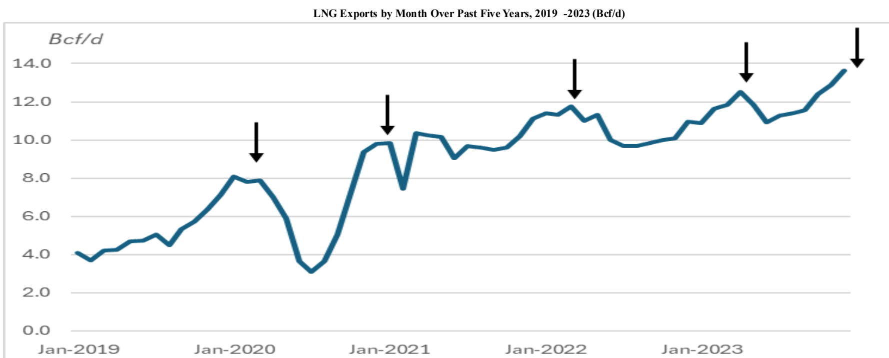

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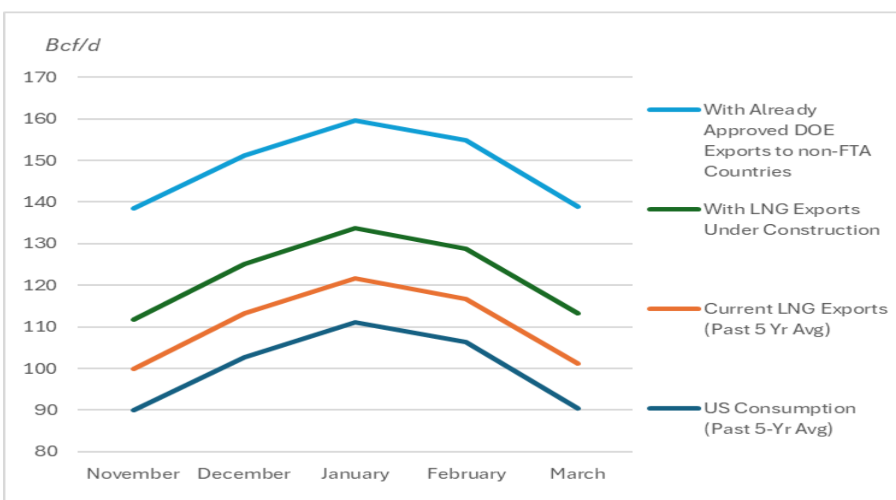
Figure 6

Already Approved LNG Exports Lift Peak Winter Demand <u>34% Above Current Records</u>



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