

# **PUBLIC INTEREST REVIEW FOR LNG EXPORTS ARE ESSENTIAL TO PROTECT AMERICANS**

Testimony before the Joint Subcommittee on Environment, Manufacturing, and Critical Materials & Subcommittee on Energy, Climate, and Grid Security of the U.S. House Energy and Commerce Committee

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outweigh the income loss associated with higher energy prices.”<sup>31</sup> DOE relies upon the conclusions of this discredited 2018 study to help determine whether exports will be consistent with the public interest.

DOE currently performs no distributional analysis to measure the impact that LNG exports may have on families at different incomes, and provides no assessment of the impact exports have on energy burdens of communities of color. Utility bill burdens are regressive, meaning lower-income families pay larger proportions of their income on such necessities compared to their more affluent neighbors. With natural gas representing the largest share of fuel (37%) for electric power generation in the U.S., combined with many families’ reliance on natural gas for home heating, the export-driven energy spikes are resulting in profound energy insecurity for millions of Americans.

A distributional incidence analysis that measures the impact higher natural gas prices have on households at different income quintiles is necessary to demonstrate whether LNG exports are consistent with the public interest. DOE’s failure to measure the price impacts for vulnerable populations renders its current methodological approaches inadequate to capture the adverse pricing dynamics impacting millions of households.

Providing price impacts by population quintile is one necessary reform; the other must be a geographic assessment of these price impacts. Because different regions of the country have unique energy profiles—including the types of home heating fuels, and the proportion of gas used in regional power generation—geographic modeling of the price impacts of LNG exports must also be determined.

A central component of both of the approaches are quantifying the impact higher prices have on communities of color. The Biden Administration’s energy justice initiatives must translate to assessing the impact LNG exports have on communities of color.

## **Congress Intended The 1992 Natural Gas Act Amendments To Promote a North American Gas Market For the Benefit of American Consumers—Not To Promote Unfettered Exports**

The legislative history of the Energy Policy Act of 1992 demonstrates that the Natural Gas Act amendments do not endorse re-exports of U.S. produced gas from Mexico as qualifying for the automatic public interest designation.

<sup>31</sup> At page 67.