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**UNITED STATES OF AMERICA  
BEFORE THE  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY**

Pieridae Energy (USA) Ltd.

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FE Docket No. 14-179-LNG

**MOTION FOR LEAVE TO INTERVENE,  
MOTION TO SUSPEND, AND PROTEST OF  
THE INDUSTRIAL ENERGY CONSUMERS OF AMERICA**

Pursuant to Sections 590.303 and 590.304 of the Administrative Procedures with Respect to the Import and Export of Natural Gas,<sup>1</sup> the Industrial Energy Consumers of America (“IECA”) files this motion to intervene, motion to suspend, and protest in the above captioned proceeding. In support, IECA states the following:

**I. COMMUNICATIONS**

Any communications regarding this pleading or this proceeding should be addressed to:

Paul Cicio  
President  
Industrial Energy Consumers of America  
1776 K Street, NW  
Suite 720  
Washington, D.C. 20006  
pcicio@ieca-us.org

**II. INTERVENTION**

IECA is a nonpartisan association of leading manufacturing companies with \$1.0 trillion in annual sales, over 2,900 facilities nationwide, and with more than 1.4 million employees worldwide. It is an organization created to promote the interests of manufacturing companies through advocacy and collaboration for which the availability, use and cost of energy, power or feedstock play a significant role in their ability to compete in domestic and world markets.

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<sup>1</sup> 10 C.F.R. §§ 590.303, 590.304 (2012).

IECA membership represents a diverse set of industries including: chemical, plastics, steel, iron ore, aluminum, paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, building products, brewing, independent oil refining, and cement.

EITE industries regularly account for about three quarters of all energy consumed by the U.S. manufacturing sector<sup>2</sup>, which itself accounts for more than a quarter of U.S. energy consumption<sup>3</sup>. Yet, despite this energy intensity, GHG emissions by U.S. manufacturers are 22.4% below levels set in 1973, and far lower than GHG emissions of our competitors in many non-FTA countries who would benefit by gaining access to the affordable U.S. energy produced near our factories.

The price of natural gas is critical to us. From 1999 to 2008, natural gas prices rose over 209 percent, significantly contributing to the loss of 3.9 million good-paying manufacturing jobs and the closing of tens of thousands of facilities. There are direct linkages between energy prices, manufacturing jobs, and the health of the U.S. economy. The above stated concerns are further elaborated in the August 2014 Oil and Gas Journal article entitled, “Why Manufacturers Oppose Unfettered LNG Exports”<sup>4</sup>.

On October 24, 2014, Pieridae Energy (USA) Ltd. (“Pieridae Energy”) filed an application<sup>5</sup> in FE Docket No. 14–179–LNG seeking long-term authorization to export approximately 292 billion cubic feet per year (“Bcf/y”) of domestic natural gas as liquefied natural gas (“LNG”) by vessel to any country (1) with which the United States has, or in the

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<sup>2</sup> In 2010, EITE industries consumed 75.1% of all of the natural gas and 72.7% of all of the electricity used by U.S. manufacturers.

<sup>3</sup> In 2013, the manufacturing sector consumed 28.7% of all of the natural gas and 25.9% of all of the electricity used in the U.S.

<sup>4</sup> <http://pipelineandgasjournal.com/why-manufacturers-oppose-unfettered-lng-exports>

<sup>5</sup> Application of Pieridae Energy (USA) Ltd. for Long Term Authorization To Export Liquefied Natural Gas to Free Trade and Non-Free Trade Agreement Countries, Docket No. 14–179–LNG (October 24, 2014) (“Application”).

future may enter into, a free trade agreement requiring national treatment for trade in natural gas; and (2) with which the United States does not have a free trade agreement requiring national treatment for trade in natural gas and with which trade is not prohibited by United States law or policy (“non-FTA Nations”).<sup>6</sup> Pieridae Energy’s Application seeks authorization to export LNG to Canada at the United States-Canada border near Baileyville, Maine at the juncture of the Maritimes & Northeast (M&N) U.S. Pipeline and the M&N Canada Pipeline, and to use a portion of the U.S.-sourced natural gas as feedstock in a Canadian natural gas liquefaction facility called the Goldboro LNG Project, to be developed by one or more Pieridae affiliates and to be located at the Goldboro Industrial Park in Guysborough County, Nova Scotia, Canada.<sup>7</sup>

IECA has a direct and substantial interest in this proceeding that cannot be adequately represented by any other party. IECA respectfully submits that good cause exists to grant its motion to intervene.

### **III. MOTION TO SUSPEND CONSIDERATION OF APPLICATION**

On August 15, 2014, DOE announced a new procedural policy for applications to export LNG from the lower-48 states. Specifically, DOE stated that it would “suspend its practice of issuing conditional decisions on applications to export LNG to non-FTA countries” and would “no longer act in the published order of precedence but will act on applications in the order they became ready for final action.”<sup>8</sup> Under the new policy, LNG export applications are ready for final action “when DOE has completed the pertinent NEPA review process and when DOE has sufficient information on which to base a public interest determination.”<sup>9</sup>

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<sup>6</sup> Application at 2.

<sup>7</sup> Application at 2.

<sup>8</sup> 79 Fed. Reg. 48,132, 48,135 (Aug. 15, 2014).

<sup>9</sup> Id.



Despite the fact that Pieridae Energy has not completed the required NEPA process for its proposed Project,<sup>10</sup> DOE did not establish a comment date for interventions and protests of the Pieridae Energy Application timed to coincide with the expected completion of the NEPA review process. DOE's failure to establish such a procedural schedule in this proceeding has forced IECA to file the instant protest at this time. IECA submits, however, that this practice is inefficient and should be modified on a going-forward basis. In its Proposed Procedures Notice, 79 Fed. Reg. 32,261, DOE stated that its proposed rules would, among things, improve the quality of information on which DOE bases its decisions and would better allocate resources by reducing the likelihood that the Department would be forced to act on applications with little prospect of proceeding.

Establishing comment dates for applications such as Pieridae Energy's that are not ready for final action is entirely inconsistent with DOE's rationale for changing its review procedures. DOE should delay the establishment of a comment date until such applications are ready (or nearly ready) for final action so that commenters such as IECA will be permitted to submit pleadings that are based on data available at the time the application is ready for final review.

Establishing comment dates in the manner that IECA suggests would also be more efficient as it would save resources by eliminating the need for the Department to review filings in response to applications that have little prospect of completing the NEPA review process. Similarly, IECA and other interested parties should not be forced to expend their resources filing premature comments on an application on which DOE may never act and, at a minimum, will not act on until the applicant has completed the required NEPA review process. For example, on December 23, 2014, Excelerate Liquefaction Solutions, LLC, et. al ("Excelerate") filed a

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<sup>10</sup> The Application is silent on the status of the Project's NEPA review process and IECA's search of the FERC eLibrary system has not returned any information concerning the status of the environmental review of the Project.

motion<sup>11</sup> requesting that FERC hold in abeyance its review of the company's proposed LNG export facility. According to Excelerate, the request was made in light of the recent global economic changes including "a steep decrease in the price of oil" which has "created uncertainty regarding the economics of the Project."<sup>12</sup> Excelerate requested that the Commission hold the proceeding in abeyance until April 1, 2015, at which time, the company says it will update the Commission on the status of the project.<sup>13</sup> It would be a waste of resources for both DOE and for commenters such as IECA to begin the review process for LNG exports from such a tenuous LNG export project. Under the DOE-FE's current practice, however, the establishment of comment dates does not appear to be tied to the expected completion date of the NEPA review process and therefore commenters may be required to expend resources analyzing and commenting on an application that may never complete the NEPA review process (or in theory even start that process). A more efficient procedure would be to wait until such projects have completed or have substantially completed the required NEPA review process before requesting comments on LNG export authority. Accordingly, IECA requests that DOE reconsider its current practice and set comment dates for LNG export applications that reflect the Department's recently enacted procedural rules.

#### **IV. PROTEST**

Before the DOE can address the Pieridae Energy request, it must consider the following:

##### **A. DOE must comply with the Natural Gas Act.**

The DOE is not fully complying with NGA and it is clear that they are failing to honor its spirit. The NGA Section 3 governs LNG exports (and imports):

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<sup>11</sup> Motion to Place the Lavaca Bay LNG Project Proceeding in Abeyance, Docket Nos. CP14-71-000, CP14-72-000, and CP14-73-000 (filed Dec. 23, 2014) ("Excelerate Motion").

<sup>12</sup> Excelerate Motion at 1.

<sup>13</sup> Id.

“... no person shall export any natural gas from the United States to a foreign country or import any natural gas from a foreign country without first having secured an order of the Commission authorizing it to do so. The Commission shall issue such order upon application, unless, after opportunity for hearing, it finds that the proposed exportation or importation will not be consistent with the public interest. The Commission may by its order grant such application, in whole or in part, with such modification and upon such terms and conditions as the Commission may find necessary or appropriate, and may from time to time, after opportunity for hearing, and for good cause shown, make such supplemental order in the premises as it may find necessary or appropriate.”<sup>14</sup>

This language contains four essential elements that DOE has not yet completed: the definition of “public interest”; use policy guidance designed for exports; analytical methods free of bias; and a commitment to a process of ongoing monitoring and adjustment.

*a. Definition of Public Interest*

The definition of “public interest” is at the core of this entire discussion. Yet, we cannot find where DOE has articulated any such definition. More concerning is that the Government Accountability Office (GAO) reached the same conclusion in its September 2014 report.<sup>15</sup> The GAO finds that neither the Natural Gas Act, nor the DOE, has defined “public interest” (page 10). Given the centrality of this term to the public policy decision of approving or not approving LNG export applications, this is a glaring omission if not a legal issue. If the DOE has not defined “public interest,” how is it that they can make informed decisions on behalf of the over

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<sup>14</sup> 15 U.S. Code § 717b - Exportation or importation of natural gas (a) mandatory authorization order.

<sup>15</sup> “Federal Approval Process for Liquefied Natural Gas Exports,” Government Accountability Office, <http://www.gao.gov/assets/670/666177.pdf>



72 million<sup>16</sup> consumers of natural gas and 145 million<sup>17</sup> consumers of electricity? Without a definition of the “public interest,” how does the DOE determine when the export volume from the next LNG export application, and the resulting increase in natural gas and electricity prices, or a slowdown in manufacturing job creation and investment, justifies a “disapproval” of the LNG export application? Without a definition of public interest, how much public hardship has to be inflicted before the DOE denies the next application?

While DOE has not articulated a definition for public interest, it has cited the results of a December 2012 study, using a model that was not peer-reviewed, by NERA Economic Consulting (NERA Study)<sup>18</sup> to support their finding that LNG exports are not inconsistent with the public interest. Actually, the NERA Study says that “US economic welfare consistently increases as the volume of natural gas exports increased.<sup>19</sup>” However, further review of this NERA study reveals that this is a deeply flawed proxy for a definition of public interest. The NERA study goes on to describe how its metric of economic welfare is nothing more than the aggregated GDP, and that the small increase in GDP is the result of a windfall for a small group of resource owners and export terminal owners being just large enough to offset the losses in lower incomes and higher energy prices inflicted upon the remaining bulk of the population. The NERA study discusses a positive macroeconomic impact in one section, but it describes how the export of natural gas would cause shifts in income in the next.<sup>20</sup> The NERA study describes how “[h]ouseholds with income solely from wages or transfers, in particular, will not participate in

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<sup>16</sup> [http://www.eia.gov/dnav/ng/ng\\_cons\\_num\\_dcu\\_nus\\_a.htm](http://www.eia.gov/dnav/ng/ng_cons_num_dcu_nus_a.htm)

<sup>17</sup> [http://www.eia.gov/electricity/sales\\_revenue\\_price/pdf/table1.pdf](http://www.eia.gov/electricity/sales_revenue_price/pdf/table1.pdf)

<sup>18</sup> “Macroeconomic Impacts of LNG Export from the United States” NERA Economic Consulting, December 3, 2012 ([link](#))

<sup>19</sup> *Ibid*, page 6.

<sup>20</sup> *Ibid*, pages 6-8.

these benefits.<sup>21</sup>” The NERA study further explains how “[h]igher natural gas prices ... can also be expected to have negative effects on output and employment, particularly in sectors that make intensive use of natural gas.” In other words, the vast majority of households will transfer income and wealth to a small number of resource owners, as LNG exports place EITE industries at a particular global disadvantage. In an atmosphere in which we place so much focus on the harmful impact of a highly skewed income distribution, this measure of positive impact is particularly troubling, and this direct attack on U.S. manufacturing jobs is unacceptable. There were several other serious flaws that DOE chose to gloss over, including the use of out-of-date information on EITE industries that downplayed the impact to these industries and incorrect assumptions on the economics of LNG exports.

Compliance with this part of the NGA requires a workable definition of public interest faithful to the intent of Congress, consistent with our country’s traditions and applicable to how the country uses natural gas and recognizing that exporting LNG is a choice. Justice Brandeis got the definition right by asserting that *the public interest is that which produces the most good for the most people*. To connect this concept to the specific questions raised by LNG export to non-FTA countries we suggest considerations including:

- The value added to the U.S. economy by exporting a raw material (LNG) vs. the value added by exporting a finished manufactured good that uses the natural gas;
- The impact on net permanent U.S. jobs by producing and exporting natural gas (and importing manufactured goods) vs. producing and exporting manufactured goods; and
- The GHG emissions of U.S. EITE industries compared to the GHG emissions of comparable industries in non-FTA countries;

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<sup>21</sup> Ibid, page 8.



- The efficiency losses and extra GHG releases inherent in producing a good with energy that must be liquefied, transported and then re-gasified before it can be used vs. using the natural gas in manufacturing operations closer to where it is produced; and
- Establish risk factors that guide decision-making. Give recognition to the reality that unlike other products, consumers do not have a substitute thus the need to place a value on human safety, comfort and impacts to families, low income citizens, jobs and economic growth.

More could be done to complete the definition of public interest, but the point is clear. The DOE has failed in its duties to this part of the NGA. The macroeconomic proxy for public interest employed by DOE is literally the antithesis of what Americans actually mean by the term. How can the ongoing national discussion on income distribution accommodate government actions that it admits skews income and wealth from the many to the few? And how can public policymakers say they value manufacturing jobs, yet fail to do a complete fair evaluation of the trade-offs of LNG exports to domestic jobs.

*b. Policy Guidance Designed for Exports*

The NGA requirement for “an opportunity for a hearing” demands a process that is relevant to the questions posed. The previously cited GAO report says that the DOE has based its decision-making guidance for LNG exports on a rulemaking it developed in 1984 for LNG imports.<sup>22</sup> In using the policy guidance from a vastly different time for an activity in which the risks and benefits are reversed, the DOE is failing to comply with the spirit of the NGA.

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<sup>22</sup> “Federal Approval Process for Liquefied Natural Gas Exports,” Government Accountability Office, <http://www.gao.gov/assets/670/666177.pdf> (page 11).

In 1984, natural gas played a relatively small role in the U.S. economy. Even as recently as 2002, “LNG imports accounted for only 1% of total U.S. gas consumption.”<sup>23</sup> Thirty years later, and as a direct consequence of deliberate policy decisions<sup>24</sup>, it is difficult to identify a source of energy that is more widely relied upon. As cited above, natural gas is a major input to U.S. manufacturing for fuel, feedstock and electricity generation, particularly in EITE industries. Projecting into the future, natural gas will play an increasingly important role in residential, transportation, and power generation applications.

The differences between LNG imports and exports are as stark as they sound. Natural gas imports increase supply and either lower price, make more use possible, or both. Imports reduce consumer risk. Imported natural gas competes with domestic production and, in some cases, can even result in some fuel substitution (e.g. gas replaces coal in power generation). On the other hand, exports reduce supply and force the allocation of a finite resource. In the case of LNG export, this is a particular challenge because in nearly all of the applications for which natural gas is used, there are few, if any, viable substitutes. Evolution of both physical infrastructure and regulation have so limited the energy choices of industrial users, particularly the EITE industries, that they are either unable to switch from natural gas or can do so only at great expense. In the case of power generation, for example, the EPA’s Clean Power Plan explicitly requires dramatically increased dependence on natural gas.

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<sup>23</sup> “Liquefied Natural Gas (LNG) Import Terminals: Siting, Safety and Regulation” Congressional Research Service (CRS) Report for Congress, January 28, 2004

<sup>24</sup> “Congress could try to reduce the need for new LNG terminals by acting to curb growth in U.S. LNG demand, or growth in natural gas demand overall. For example, Congress could change public and industrial incentives for conservation, switching to other fuels, or developing renewable energy supplies. But other fuels like coal and nuclear power pose their own hazards to communities and the environment, so their expansion may not be preferable to additional LNG infrastructure.” “Liquefied Natural Gas (LNG) Import Terminals: Siting, Safety and Regulation” Congressional Research Service (CRS) Report for Congress, January 28, 2004

Policy guidance based upon considerations applicable to LNG imports in 1984 is not relevant to exports in 2014 and even less relevant to exports in 2020 or 2025. It is past time for DOE to conduct a rulemaking that identifies the considerations relevant to exporting natural gas now and in the future, and base its policy on these. How else could DOE make decisions on whether an application to export LNG is consistent with the public interest be credible?

*c. Analytical Methods Free of Bias*

The NGA requirement for “an opportunity for a hearing” also demands reliance upon analytical methods that are free of bias. The DOE has based its public interest determinations – flawed as they are – on forecasts produced by the US DOE’s Energy Information Administration (EIA). These EIA’s models and methods are inappropriate for these purposes because they include three distinct sources of bias against industrial customers that significantly alter decisions for which they are used.

The EIA models are based upon regression analyses calibrated with data that are not more recent than 2010 – a time most notable for the worst U.S. manufacturing slowdown in the recent past. Predictions from any model calibrated with this data would include a bias that severely understates the gas demand for industrial customers, particularly EITE industries, and likewise severely understates the impact of LNG export on available supply and price.

Even if the EIA models used recent data, the practice of using a regression model based in the past to extrapolate assumed relationships in the future becomes increasingly questionable as the forecast horizon lengthens. As may be observed from the performance of past EIA forecasts, predictions of industrial demand, price and other results beyond about five years, are prone to significant error. In a more subtle way, this practice also limits what may be realized in the future by confining it to how things interacted in the past.



However, even if the EIA models used recent data and limited the horizon of their forecasts, they would still be inappropriate to guide decisions on LNG exports. The EIA models use a top-down approach to estimate industrial demand as a ‘fill’ or means to balance larger equations. It is doubtful that these equations accurately model how industrial demand will interact with a myriad of factors that did not exist in 2010 or earlier. Because the EIA models treat industrial demand as something to be wedged into a number of undefined and external technical factors, they are completely divorced from the new industrial projects and accompanying energy demand that have been announced and are being built.<sup>25</sup> This is perhaps the most significant bias limiting what we might expect from future U.S. manufacturing.

Rather than a regression model calibrated with outdated relationships that estimate a variable as critical to the process as industrial demand as only a top-down ‘fill,’ DOE should explicitly include the measurable demand expected from scheduled manufacturing projects, gas-fired power generation units and other new sources of demand just as it postulates future levels of LNG export, including potential demand from pending EPA regulations. DOE could accomplish this by using one or more of the readily available models that estimate future industrial demand from the bottom-up by capturing the data on large production projects already in the public (e.g.: PIRA, Charles River Associates).

*d. Process of Ongoing Monitoring and Adjustment*

The NGA specifically anticipates that adjustments to LNG exports would also be in the public interest when it states that the DOE ... “and may from time to time, after opportunity for hearing, and for good cause shown, make such supplemental order in the premises as it may find

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<sup>25</sup> IECA data previously cited.

necessary or appropriate.”<sup>26</sup> Contrary to the NGA, the DOE does not plan to make any such adjustments. Rather, the DOE has stated that once it issues an Order regarding LNG exports, it will not alter them. In fact, by stating that it would make such an adjustment only under “*extraordinary circumstances*”<sup>27</sup> DOE creates an obstacle to the exercise of its authority that is not in the law. Consequently, these DOE orders on LNG exports will be fixed for decades.

Advocates of unfettered LNG exports cite forecasts of natural gas supply that seem endless and claim that no amount of LNG exports could drive significant challenges to supply or price. They claim that the U.S. suddenly has access to a 100-year supply of natural gas. (By the way, these are the same people who urged immediate passage of the Energy Policy Act of 2005 because the need to import LNG was rising to the level of a national emergency.<sup>28 29</sup>) On the other hand, those opposing any LNG exports point to studies supporting their conclusions.

A forward look at U.S. resources indicate that we do not have a significant supply. Factually, the Energy Information Administration (EIA) 2025 demand data indicates that the U.S. has only 9.6 years of proven reserves, and only 49 years of technically recoverable resources in the lower 48 states. “Technically” recoverable does not mean that they are

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<sup>26</sup> 15 U.S. Code § 717b - Exportation or importation of natural gas (a) mandatory authorization order.

<sup>27</sup> DOE Letter to Senator Lisa Murkowski, October 17, 2013.

<sup>28</sup> “While LNG has historically made up a small part of U.S. natural gas supplies, rising gas prices, current price volatility, and the possibility of domestic shortages are sharply increasing LNG demand. To meet this demand, energy companies have proposed building dozens of new LNG import terminals throughout the coastal United States.” “Liquefied Natural Gas (LNG) Import Terminals: Siting, Safety and Regulation”, Congressional Research Service (CRS) Report for Congress, January 28, 2004

<sup>29</sup> “In recent testimony before Congress, the Federal Reserve Chairman (Greenspan) called for a sharp increase in LNG imports to help avert a potential barrier to the U.S. economic recovery. According to the Chairman’s testimony: “... high gas prices projected in the American distant futures market have made us a potential very large importer...Access to world natural gas supplies will require a major expansion of LNG terminal import capacity.”<sup>3</sup> If current natural gas trends continue, industry analysts predict that LNG imports could increase to 20% of total U.S. gas supply by 2020.” “Liquefied Natural Gas (LNG) Import Terminals: Siting, Safety and Regulation”, Congressional Research Service (CRS) Report for Congress, January 28, 2004



“economically” recoverable. Recently completed studies by the University of Texas<sup>30 31 32 33</sup>, David Hughes<sup>34</sup> and the Oxford Institute<sup>35</sup> and several others, raise legitimate questions about our ability to increase production without significantly higher prices, certainly, prices that are well beyond what consumers, especially manufacturers’ view as affordable. The first two studies illustrate that the EIA overestimates the resource base for the four largest natural gas fields between 30 to 36 percent. These studies are reason enough to put a hold on any final LNG export approval.

The one thing that everyone knows will be right about all of these forecasts is that they will all be wrong. We cannot determine whether DOE’s promise to never revisit or revise a 20- to 30-year decision, because of confidence in a 2012 forecast, represents arrogance or hubris. In either case, it is not consistent with the law.

Those who claim that the DOE must never alter an order on LNG export once issued argue that by doing so, the DOE would introduce great uncertainty into the capital investment plans supporting the LNG export terminals and contracts, and would undermine the entire enterprise. The facts do not support this. The entirety of investment in LNG terminals and contracts is but a small fraction of the global commerce and long-term investment decisions impacted by the value of the U.S. dollar. Yet, the value of the U.S. dollar is subject to constant monitoring and

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<sup>30</sup> Browning, J., Tinker S. W., Ikonnikova, S., Gülen, G., et al. 2013b. Barnett shale model -1: Study develops decline analysis, geologic parameters for reserves, production forecast. Oil & Gas Journal, 08/05/2013, Volume 111, Issue 8.

<sup>31</sup> Browning, J., Tinker S. W., Ikonnikova, S., Gülen, G., et al. 2013c. Barnett shale model -2 (Conclusion): Barnett study determines full-field reserves, production forecast. Oil & Gas Journal, 09/02/2013, Volume 111, Issue 9.

<sup>32</sup> Browning, J., Tinker S. W., Ikonnikova, S., Gülen, G., et al. 2014. Fayetteville shale reserves and Production forecast, OGJ January 6, 2014.

<sup>33</sup> <http://www.beg.utexas.edu/shale/pubs.php>.

<sup>34</sup> [http://www.postcarbon.org/wp-content/uploads/2014/10/Drilling-Deeper\\_FULL.pdf](http://www.postcarbon.org/wp-content/uploads/2014/10/Drilling-Deeper_FULL.pdf).

<sup>35</sup> <http://www.oxfordenergy.org/wpcms/wp-content/uploads/2014/03/US-shale-gas-and-tight-oil-industry-performance-challenges-and-opportunities.pdf>.



potential adjustment. The U.S. Federal Reserve continuously monitors economic conditions and meets at least 8 times per year to decide whether to make any adjustments. The Federal Reserve does this, in part, because Congress gave it a “dual mandate.”<sup>36</sup> We believe you should consider giving the DOE a similar mandate to govern its decisions on LNG exports which would maximize U.S. employment, while promoting responsible development of U.S. energy resources. Another reason that we reject the DOE’s argument that once an application is approved, that altering an order raises capital investment uncertainty for the exporter is that with every LNG application approval, the capital investment risks rise for every new or existing capital investment in the manufacturing sector. Here we are talking about not tens of billions of existing investment, but trillions. The DOE is casting a blind eye to this risk.

In summary, we believe the NGA requires the DOE to articulate a definition of public interest and promulgate rules-based decision policy guidance applicable to LNG exports, and the DOE should use appropriate modeling methods to monitor the cumulative impacts of LNG exports and periodically make (or not make) supplemental orders as it may find necessary or appropriate per the Natural Gas Act. It is sound public policy that the DOE should use its authority to periodically review LNG exports, and if necessary, issue Orders that throttles LNG exports, consistent with the definition of public interest and the criteria for assessment. Without compliance to the NGA, the DOE cannot address the Pieridae Energy application.

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<sup>36</sup> The term “dual mandate” refers to direction Congress gave to the U.S. Federal Reserve in a 1977 revision to the Federal Reserve Act. Specifically, US Code states: *“The Board of Governors of the Federal Reserve System and the Federal Open Market Committee shall maintain long run growth of the monetary and credit aggregates commensurate with the economy’s long run potential to increase production, so as to promote effectively the goals of maximum employment, stable prices and moderate long-term interest rates.”* (12 USC §225a) While the law actually lists three objectives, they are commonly understood to reduce to the two or ‘dual mandates’ of maximum employment and low inflation.

## V. CONCLUSION

WHEREFORE, based on the foregoing, IECA respectfully requests that the DOE/FE (1) grant its motion to intervene in this proceeding with all rights appurtenant to that status, and (2) either (a) suspend consideration of the subject application until the completion of the NEPA review for this application or (b) deny, as inconsistent with the public interest, Pieridae Energy's application for export authority to non-FTA Nations.

Respectfully submitted,

INDUSTRIAL ENERGY CONSUMERS OF  
AMERICA

By 

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February 9, 2015

UNITED STATES OF AMERICA  
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OFFICE OF FOSSIL ENERGY

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FE Docket No. 14-179-LNG

VERIFICATION

WASHINGTON

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§  
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DISTRICT OF COLUMBIA

Pursuant to 10 C.F.R. § 590.103(b) (2013), Paul Cicio, being duly sworn, affirms that he is authorized to execute this verification, that he has read the foregoing document, and that all facts stated herein are true and correct to the best of his knowledge, information, and belief.

Paul N Cicio

Paul Cicio  
President  
Industrial Energy Consumers of America  
1776 K Street, NW  
Suite 720  
Washington, D.C. 20006  
pcicio@ieca-us.org

Subscribed and sworn to before me this 9th day of February, 2015.

Nicole S Whitehead

Notary Public

My Commission Expires: 1/14/2018



NICOLE S. WHITEHEAD  
NOTARY PUBLIC DISTRICT OF COLUMBIA  
My Commission Expires January 14, 2018



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Pieridae Energy (USA) Ltd.

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FE Docket No. 14-179-LNG

**CERTIFIED STATEMENT OF AUTHORIZED REPRESENTATIVE**

Pursuant to 10 C.F.R. § 590.103(b) (2013), I, Paul Cicio, hereby certify that I am a duly authorized representative of the Industrial Energy Consumers of America, and that I am authorized to sign and file with the Department of Energy, Office of Fossil Energy, on behalf of the Industrial Energy Consumers of America, the foregoing document and in the above-captioned proceeding.

Dated at Washington, D.C., this 9th day of February, 2015.



Paul Cicio  
President  
Industrial Energy Consumers of America  
1776 K Street, NW  
Suite 720  
Washington, D.C. 20006  
pcicio@ieca-us.org

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon on the applicant and on DOE/FE for inclusion in the FE docket in the proceeding in accordance with 10 C.F.R. § 590.107(b) (2013).

Dated at Washington, D.C., this 9th day of February, 2015.

By:



Paul Cicio  
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