

APGA's View of LNG Exports and the Direct Use Of Natural Gas

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Summit

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About APGA

The voice and choice of public gas

APGA is the only national trade organization representing America's publicly-owned natural gas local distribution companies (LDCs).

- 1,000 public gas utilities in 37 states
- About 5,000,000 customers nationwide
- 120,000 miles of main
- 21,000 public gas employees
- System size ranges from Philadelphia with 500,000+ meters to Freedom, Oklahoma with 12 meters

LNG Export by the Numbers

- 9 applications approved for 11.55 Bcf/d
- Recently Senate Committee on Energy and Natural Resource held a hearing on LNG export (S. 33)
- DOE is studying the impacts of exports of LNG above the 12 BCF/day level

Arguments Against Export

- Price Impacts upon Consumers
- Energy Security/Trade Deficit
- Increased Demand in the United States

LNG Export Basics



- Supporters of LNG exports focus only on the top level conclusions: LNG exports provide net benefits to the U.S.
- However, they don't talk about the fact that according to free trade theory, there are winners and losers created from LNG exports.
- The losers in LNG exports are every other sector of the U.S. economy (other than producers and exporters) according to the NERA study

Impacts on Americans



- **Manufacturing;**
 - Will be one of the sectors hardest hit by exports as it is highly price sensitive.
- **Homeowners and renters**
 - Increase cost in energy bills
 - Increase cost on the price of goods
- **Impacts on Demand**

Increased Demand in the United States



- Low price of natural gas and EPA rules regarding coal will further drive natural gas for generation
- U.S. coal-fired generation retirements will be significant
- Forecasts over 300,000 mw of natural gas-fired generation capacity additions in next 25 years
- Natural gas use increasing in manufacturing sector (8BCF), Elec (8BCF) NGVs (1BCF), FTA Exports to Mexico (5.5 BCF)= Conservative 22.5 BCF/day of new demand.
- That's after the price has already doubled since 2012

Impact of LNG export on the energy consumer



- Currently residential customers are enjoying low energy prices for both natural gas and electricity.
- American manufacturing is able to out compete South Asia manufacturing.
- Our energy cost have been very stable compared to international markets.
- Impact of energy resiliency work being down by states
 - Microgrids
 - Alternative fuel emergency operations



Questions?

CONTACT INFO

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