

FOREIGN POLICY

FOR AMERICA

National Security and the LNG Export Decision

TOPLINE MESSAGES:

- Indiscriminate overbuild of LNG export capacity threatens not just our own economic, energy, and climate security, but that of our allies and partners.
- When it comes to the approval of new LNG export projects, there is a false dichotomy being perpetuated that pits climate imperatives against national security concerns.
- This misses the larger picture that the global energy transition and climate impacts are central to our foreign policy and geostrategic interests and should be factored into national security decision-making.
- What's more, the concrete arguments being used to advance this narrative aren't supported by the facts. U.S. LNG export capacity will continue to grow years into the future, as already approved projects come online. It is becoming clear that our European allies have the energy resources they need, with an LNG supply glut predicted even as Russian supply is taken out of the equation amid Putin's invasion of Ukraine.
- The accelerated delivery of U.S. LNG has helped our allies respond to Russia's unprovoked acts of aggression. The U.S. can and should remain committed to ensuring that our own and our allies' energy needs are met.
- It's important that we be clear about what this decision is and what it isn't. It is about strengthening the approval process for LNG export authorizations and ensuring that national security issues are addressed in a comprehensive and objective way. It's not about limiting our allies' access to American energy.
- This action is also about ensuring our energy and infrastructure investments are prudent in view of the path that the world is on coming out of COP28. We're in the midst of an accelerating transition to a global clean energy economy, and the U.S. should be positioning itself to lead not be left behind.

HERE'S WHY:

- Continued buildout of multi-billion dollar, long-lived natural gas export infrastructure is not strategic and puts us at a disadvantage as clean energy deployment accelerates around the world.

- If we don't start factoring climate risks and new energy realities into our LNG export national interest determinations, we run the risk of non-economic overbuild, stranded assets, and further climate-driven threats to our security.
 - Over the past two years, we've seen first hand how [greater exposure to global LNG markets impacts energy prices here at home](#). At the same time, the world is in the midst of an emerging and rapidly accelerating transformation in both energy production and demand. Failing to factor these dynamics into national interest determinations will result in over-investment in long-term infrastructure that undermines our energy and economic security.
 - The [emissions associated with increased LNG exports](#) contribute to climate impacts that are already harming American families and fueling conflict and instability around the world. The impacts of climate change also increase strains on the U.S. military and impact readiness. These are considerations that are clearly relevant to what is in the U.S. national interest.
 - U.S. leadership was critical in securing a global consensus at COP28 in support of decisive near-term action to transition away from fossil fuels. Updating the economic and environmental analysis we apply in evaluating LNG export applications demonstrates that the U.S. is serious about living into the commitment we helped deliver. It will help restore U.S. credibility and influence with partners around the world, particularly with developing countries who are suffering the worst impacts of climate change and need support to expand clean energy access.

- The Administration's decision will not impact our ability to support our partners in the EU and beyond.
 - The U.S. is already the largest LNG exporter in the world. [IEA projections](#) show the U.S. continuing to lead the addition of new LNG export capacity globally based on projects already in development, even as European natural gas demand is entering a period of structural decline.
 - This is not about halting U.S. LNG exports or even revisiting the [48 bcf/day in capacity that is currently authorized and in development](#).
 - If fully constructed, these projects would more than double current U.S. export capacity by the 2030s and provide more than enough capacity to support our allies and partners.
 - This is about aligning decisions on future applications with expected demand as the world transitions to a decarbonized future.

- The U.S. is surpassing its LNG commitments to Europe and current U.S. LNG exports are sufficient to meet Europe's LNG needs (for a source of this info, see page 11 of the LNG report [here](#)).
 - EU solar and wind power growth displaced gas consumption worth half of Russian imports in August 2023.
 - After Russia invaded Ukraine in February 2022, the U.S. met President Biden's commitments to provide an additional 15 billion cubic meters (bcm) of US LNG to Europe. In 2022, the United States delivered 56 bcm to Europe, an increase of 34 bcm from 2021.

- In joint statements in 2023 ([here](#) and [here](#)), the United States and EU acknowledged that the U.S. more than doubled its 2022 target and is meeting EU's current LNG needs.
 - In 2023, European LNG imports have flattened, [according to](#) the Institute for Energy Economics and Financial Analysis ([IEEFA 2023](#)). European LNG imports increased just 4% from January through September, compared to the same period in 2022. Europe's LNG needs are expected to decline from 2023 through 2030 as Europe reduces gas demand.
 - For 2023 through 2030, the United States has committed to providing Europe with approximately 50 bcm annually. The U.S. has already exceeded its 2023 goal, delivering 56 bcm from January to September ([IEEFA 2023-a](#)).
 - Gas storage facilities in Europe are [nearly full](#) heading into winter.
- Increasing U.S. exposure to global LNG markets also raises the risk that global trade could be leveraged against us and that Americans will be forced to pay higher prices. With no destination restrictions on U.S. LNG exports, large buyers could [stockpile or route American-produced LNG anywhere in the world to advance their own interests](#).

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