

**Delaware Riverkeeper Network ≈ Lower Susquehanna Riverkeeper
Civil Society Institute ≈ Otsego 2000 ≈ Harmony Hill Retreat Center
Blue Mountain Preservation Association ≈ Croton Watershed Clean Water Coalition
Stop The Pipeline (STP) ≈ Catskill Mountainkeeper ≈ Green Party of Philadelphia
Cross County Clean Air Coalition ≈ Center for Sustainable Rural Communities
Delaware Chapter of the Sierra Club ≈ ShaleTest.org
Gas Drilling Awareness Coalition of Luzerne County ≈ Freshlife Inc.
Peach Bottom Concerned Citizens Group ≈ Berks Gas Truth ≈ Catskill Citizens for Safe Energy
WV Host Farms Program ≈ Westchester for Change ≈ Concerned Burlington Neighbors
Essex-Passaic Chapter of the NJ Green Party ≈ Milford Doers ≈ Residents of Crumhorn
Citizens Energy and Economics Council of Delaware County, NY ≈ Nature Abounds
Raymond Proffit Foundation ≈ Lehigh Valley Gas Truth ≈ Responsible Drilling Alliance
ROAR (Roseboom Owners Awareness Response) Against Fracking ≈ Kickapoo Peace Circle
Luzerne County Citizens for Clean Air ≈ Ohio Valley Environmental Coalition
Sassafras River Association ≈ WESPAC Foundation ≈ Rogue Riverkeeper
Cornucopia Network/NJ/TN Chapter ≈ Caney Fork Headwaters Association
Cumberland Countians for Peace & Justice
Network for Environmental & Economic Responsibility Of United Church of Christ
Partnership for Earth Spirituality ≈ Don't Waste Michigan
New York Whale and Dolphin Action League ≈ Citizens' Environmental Coalition
Wild Virginia ≈ Severn Riverkeeper ≈ NJ Sierra Club ≈ Coal River Mountain Watch
Citizens Action Coalition of IN ≈ Aquashicola / Pohopoco Watershed Conservancy
Olive Defense Against Fracking ≈ Coastal Environmental Rights Foundation
Assateague Coastal Trust ≈ Citizen Power ≈ Midshore Riverkeeper Conservancy
Southern Illinoisians Against Fracturing the Earth (SAFE) ≈ Environmental Health Coalition
Christians For The Mountains ≈ SanDiego350.org ≈ Women's Energy Matters
Potomac Riverkeeper Inc. ≈ Progressive Democrats of the Santa Monica Mountains
Gas Free Seneca ≈ Protect Pittsfield ≈ Northern California River Watch
Protecting Our Waters ≈ Kentuckians For The Commonwealth ≈ Clean Air Council
Wright Organic Resource Center ≈ Sierra Club WV Chapter
Coalition Against the Rockaway Pipeline (CARP) ≈ Damascus Citizens for Sustainability
Center for Biological Diversity ≈ North Shore Waterfront Conservancy of Staten Island, Inc.
United for Action ≈ Earthworks ≈ Missourians for Safe Energy
Physicians for Social Responsibility Philadelphia ≈ Powder River Basin Resource Council
Delaware Nature Society ≈ Food & Water Watch**

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U.S. Department of Energy (FE-34)
Office of Natural Gas Regulatory Activities
Office of Fossil Energy
P.O. Box 44375
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Electronic filing: LNGStudy@hq.doe.gov

Re: LNG Export Study and Request for Comment

Dear Department of Energy:

The Department of Energy recently published a Request for Comments Notice concerning a report purporting to study the economic impacts of liquefied natural gas export. This Notice states that comments should be “limited to the results and conclusion of these independent analyses on the factors evaluated.” Other statements in the Notice suggest that the Department of Energy (“DOE”) will not consider comments that it feels do not speak to the substance of the study released for comment. Because of that report’s abbreviated scope, and the language noted above, we are concerned that DOE may ignore comments which speak to critical, relevant issues that the report fails to evaluate. As discussed below, what is missing from the report is as critical and impactful as what is actually provided, and in both instances dramatic deficiencies render this report of little service for decisionmaking without significant enhancements.

The recent study¹ is described as “a liquefied natural gas (“LNG”) export cumulative impact study.” The Executive Summary, repeated in DOE’s Federal Register Notice soliciting comments, asserts that, “[t]his report contains an analysis of the impact of exports of LNG on the U.S. economy under a wide range of different assumptions about levels of exports, global market conditions, and the cost of producing natural gas in the U.S.” These statements are inaccurate and misleading. The study, currently offered for comment, can in no way be considered a cumulative impact study as it fails to consider some of the most profound and costly impacts of LNG export. In particular, the study fails to examine the economic harms, and dramatic economic costs, that LNG export creates by facilitating, supporting, encouraging and inducing increasing shale gas development.

The economic impacts and energy policy ramifications of LNG export far exceed the limited scope of consideration presented in DOE’s recent study. Consideration of LNG export impacts cannot be limited to gas availability, gas pricing, and impacts on gas supply and demand, as presented in DOE’s study. Indeed, the current interest in LNG export is premised upon the current domestic natural gas glut brought about by prolific shale gas development, a relationship where high gas production supports LNG export, and vice-versa. Put simply, any authorizations to export LNG will directly and dramatically affect the shale gas development industry and its related supporting industries, and therefore must be analyzed as part and parcel of any credible LNG economic study, particularly one purporting to be a “cumulative impacts study.” A necessarily broader inquiry of impacts arising from proposed authorizations to export LNG, including shale gas development, are fundamental to creating an accurate picture of the economic and community ramifications of engaging in LNG export.

The importance and urgency in addressing the serious oversights of DOE’s study is illustrated by the diverse, significant harms arising from recent proliferation of shale gas development within

¹ “Effect of Increased Natural Gas Exports on Domestic Energy Markets”

the United States. Shale gas development presents an unparalleled level of harm to drinking water, air quality, food supplies, and public health that equates to high economic burdens for the United States economy and taxpayers. For instance, shale gas development and its infrastructure induce or contribute to deforestation, land compaction, wetlands destruction, and increased earthquake potential, as well as create increased potential for flooding and erosion of public and private lands that must be responded to and addressed by homeowners, communities, and local, state and federal governments. Moreover, questions remain concerning the likelihood and costs of efforts to clean up and restore community and ecological health post the shale gas boom. To the extent that LNG will support, induce and encourage more shale gas development, it will be increasing these harms and the associated costs; as such, these costs must be considered in any credible analysis of the economic ramifications of LNG.

Similarly, should DOE move forward in authorizing LNG export it will, de facto, be inciting the development of a new national shale gas infrastructure, including transformation of energy plants, vehicles and conversion of other end energy users to gas-based operations. This “ripple effect” is worrisome as the most recent estimates of economically recoverable shale gas reserves provide that America’s natural gas supply is finite, with approximately 20-40 years of supply at current domestic consumption. Upon depleting these supplies, America will be faced with an abrupt and expensive shift to new energy sources and corresponding infrastructure. This 20-40 year timeline becomes further abbreviated if LNG exports occur. DOE’s new study fails to examine the economic ramifications of major public and private sector investment in shale gas and LNG development when gas reserve depletion and/or economically impracticable development occur in the foreseeable future.

Equally, any decision to authorize LNG export and thus inspire further shale gas development also creates opportunity costs for our nation. Investment in LNG and shale gas development means there is not investment in truly sustainable energy development, in corresponding quality infrastructure for sustainable energy, in the technological advancements necessary to ensure U.S. leadership in renewable energy sources, and in the use of taxpayer dollars for achieving other high priority job creation and economic advancement goals. These tangible costs were ignored by DOE’s study.

Furthermore, scientific research and data increasingly support the proposition that shale gas development – when combined with LNG export – is a net greenhouse gas polluter as potent as coal, if not worse. To the extent that authorizing LNG export will induce and encourage more shale gas development - and therefore more methane and CO2 emissions exacerbating climate change - it will be increasing the costs associated with responding to, and rebuilding from, the extreme weather events that inevitably result. Examination of these foreseeable costs were likewise absent in DOE’s study.

The 2012 LNG Export Study’s failure to examine the aforementioned and other relevant costs in its analyses renders the report a superficial and stunted picture of LNG’s economic ramifications. DOE’s study simply fails to provide decisionmakers the complete, accurate knowledge necessary to render an informed decision.

It is incumbent upon DOE to consider these ignored economic and environmental costs in determining whether LNG export to non-free trade agreement nations fulfills the public interest standard set forth under the Natural Gas Act. The U.S. Supreme Court has held that “public interest” determinations by DOE concerning use of natural resources must entail discussion of all relevant public issues and uses including “preserving reaches of wild rivers and wilderness areas, the preservation of anadromous fish, ... and the protection of wildlife.” *See, Udall v. Federal Power Commission, 1967.* In particular, the Court has determined that in the context of Natural Gas Act determinations, the public interest includes “conservation” and “environmental concerns.”

Concurrently, we remind DOE of its obligations under the National Environmental Policy Act to take a hard look at the environmental implications of LNG export via an Environmental Impact Statement. Such an EIS must include shale gas developmental impacts such as drilling, fracking, pipelines, compressor stations, wastewater, water withdrawals, and other associated impacts it will induce, encourage, support and mandate, presently or in the foreseeable future. Moreover, such an EIS must be conducted prior to any decisionmaking so that NEPA’s twin purposes of informing decisionmakers and studying all alternatives are both fulfilled.

We strongly urge DOE to reconsider the completeness of its latest LNG report and to conduct the further requisite studies noted above. Only by doing so will DOE fulfill both its statutory duties and its trust to the American public.

Respectfully,

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