

**From:** [Courtney Johnson](#)  
**To:** [LNGStudy](#)  
**Cc:** ["Phillip Johnson, Oregon Shores/CoastWatch"](#)  
**Subject:** 2012 LNG Export Study comment letter  
**Date:** Thursday, January 24, 2013 2:58:01 PM  
**Attachments:** [Comments - Oregon Shores to DOE - Natural Gas Export.pdf](#)

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Please find attached comments from Oregon Shores Conservation Coalition regarding the Department's notice and request for public comment on the 2012 LNG Export Study.

Thank you for your assistance.

Courtney

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## OREGON SHORES CONSERVATION COALITION

January 24, 2013

*Via Electronic Mail to* LNGStudy@hg.doe.gov

U.S. Department of Energy (FE-34)  
Office of Natural Gas Regulatory Activities  
Office of Fossil Energy  
P.O. Box 44375  
Washington, DC 20026-4375

### **RE: 2012 LNG Export Study**

Oregon Shores Conservation Coalition and its members (collectively “Oregon Shores”) submit these comments in response to the 2012 LNG Export Study and December 11, 2012, Federal Register Notice of study availability and request for comments. Oregon Shores is a nonprofit organization whose mission is to provide assistance and support to Oregonians in matters affecting their communities’ land use planning, water quality and environmental health, and to protect public access to and along Oregon’s coast. Oregon Shores uses legal oversight, field monitoring, and public education to help protect Oregon coastal communities, including Oregon’s public shoreline recreation zone and public access points, from the impacts of pollution and development. Oregon Shores has been tracking and working to address the environmental and social impacts of the proposed Jordan Cove export facility and Pacific Connector Pipeline in Coos Bay, Oregon.

The oil and gas industry has submitted 17 proposals to export natural gas to countries that are not free trade partners. These applications in total would result in the export of LNG in amounts equivalent to almost 40 percent of what is consumed in the U.S. each year. The gas for export would almost entirely be sourced from hydraulic fracturing (fracking). Oregon Shores believes that the 2012 LNG Export Study fails to consider the real costs of LNG export to American communities, and is concerned that the Department will rely on this study to make

decisions regarding LNG export applications that will affect both local communities and the North American natural gas market for many years to come.

### **Public Interest Determination**

The Natural Gas Act requires the Department of Energy (the “Department”) to determine whether approving an application to export LNG is in the “public interest.” The Department has indicated that the NERA Economic Consulting study (the “study”) will be of central importance in making the public interest determination for these LNG export applications, but as yet has failed to articulate a set of criteria or procedures for making the public interest determination. Without transparent measures to effectively evaluate whether each LNG export application is in the public interest, the Department will be unable to meet its obligations under the Natural Gas Act.

Oregon Shores requests that the Department adopt criteria and procedures for making this determination and find that the export of liquefied natural gas is not in the public interest. Oregon Shores believes that the Department should look beyond the short-term economic cost/benefit analysis and include the long-term national interest in evaluating the public interest value of LNG export proposals. Using natural gas domestically in place of coal or oil for energy production may help reduce carbon emissions. Offsetting use of more polluting fossil fuels over time would have a greater overall public benefit, including economic benefit, than the short-term gains to be realized by exporting national supplies abroad. In addition, there is a national security benefit to retaining domestic supplies of natural gas that will provide protections against disruptions of external supply streams in the future. These issues should be included in the Department’s public interest determination.

### **Flaws in the LNG Export Study**

The 2012 LNG Export Study contains significant gaps in the analysis presented. Specifically, Appendix F of the study indicates that the study does not consider alternative locations of export facilities with additional scenarios incorporating demand for natural gas exports in different regions. The study acknowledges that it does not examine regional impacts on either natural gas prices or economic activity beyond the assumed Gulf region location of export facilities and that “any attempt to estimate regional impacts would be misleading without more regional specificity in the location of exports.” Because the public interest determination must be made for each individual application, this study, which fails to provide analysis of the regional market impacts of each individual application, is not an adequate basis upon which to approve the individual applications.

Oregon Shores is particularly concerned that the study the Department relies on fails to assess the costs of LNG export to our communities, including increased costs to heat our homes and businesses, the loss of jobs in industries most affected by LNG exports such as domestic manufacturing, and projected costs associated with environmental destruction due to fracking and healthcare costs for those affected by polluted air and water. Instead, the study concludes

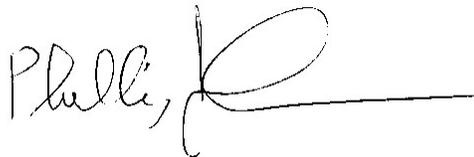
that LNG export is good economics by focusing only on the money that would go to the natural gas industry and the country's wealthiest people. The study addresses only the net economic effects of natural gas price changes and *improved export revenues, not their distribution*. In other words, the study does not consider relevant indicators of the distribution of gains and losses including real disposable income, real consumption expenditures, and other measures of distribution by socioeconomic group or geography. Oregon Shores requests that the Department reject the flawed study.

The Department has a responsibility to conduct a complete environmental and economic assessment of LNG exports to truly and accurately determine if it is to the benefit of the American public. Fracking uses millions of gallons of water, and tens of thousands of gallons of chemicals, pumped underground at extreme pressure to break up rock formations and extract natural gas. This process poses serious risks to drinking water resources and ecosystems. Increased drilling for natural gas will increase the rate of global warming and climate change. 2012 was the hottest year on record. A recent study found that up to 9% of the natural gas drilled from wells escapes into the atmosphere. This massive increase in methane (a greenhouse gas 20 times the CO<sub>2</sub> equivalent of carbon) was not considered in the 2012 LNG export study. The cost of damages from increased storm intensity, flooding, and droughts that result from climate change have not yet been considered. A full environmental impact statement for LNG exports must be conducted, including the impacts in fracked communities and climate change effects.

## **Conclusion**

Oregon Shores remains concerned about the lack of information and analysis of the true economic effect and environmental cost of LNG exports to our communities. Oregon Shores and its members, together with the entire American public, deserve to know what the real cost to us will be of sending natural gas overseas before the Department approves any LNG export applications. Thank you for the opportunity to provide these comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Phillip Johnson", with a long horizontal line extending to the right.

Phillip Johnson  
Executive Director  
Oregon Shores Conservation Coalition