



What You Need to Know: Europe, Russia and U.S. LNG Exports

1. How is the U.S. LNG industry helping Europe?

- **U.S. LNG hitting peak capacity all year.** The U.S. LNG industry is maximizing the use of our existing LNG export facilities, typically operating at peak available capacity of 10-12 billion cubic feet per day (Bcf/d) this year.
- **Over 70% of U.S. LNG shipments went to Europe in the first half of 2022.**¹ U.S. LNG exporters' uniquely flexible long-term contracts allowed their excess LNG to be rerouted to fill demand in Europe.

2. Will exports to Europe mean higher natural gas prices here in the United States?

- **No. There are many reasons for the higher price of all energy sources right now** and, while exports are a contributing factor, they most certainly are not the sole driving force.
- **Greater regulatory certainty and removal of unnecessary delays** surrounding infrastructure permitting and development is the best remedy for higher prices. It is a time-tested fact that if you increase supply, it will place downward pressure on price.

3. How do U.S. LNG exports fit into the energy transition? Shouldn't we be moving away from fossil fuels?

- **More LNG to Europe** will prevent the restarting of old coal plants and other emissions-heavy energy sources and support the growth of renewables all while ensuring people have access to clean heat and power, which are all **essential to the energy transition**.
- **U.S. LNG producers and exporters adhere to stringent environmental regulations.** They are also investing billions of dollars in the development of innovative technologies that can decrease emissions further and help us reach our shared ambition of a low carbon future by 2050.

4. What is the significance of the agreement that the United States and the European Union (EU) reached on providing LNG to Europe?

- **The U.S.-EU agreement paves the way forward for a more certain, secure market** for European consumers and signals longer-term certainty and support for the industry.
- It will likely expedite the approval process for LNG exports and facilities at both ends, along with improvements to contracting and buying.
- **CLNG member companies would like to see actionable policies follow.** We must follow-through on the promise of natural gas by ensuring that we have the infrastructure to support its growth and export to all our customers.

(more)

¹ RBN's LNG Voyager Weekly, June 21st

5. How can the Biden administration help bolster U.S. LNG exports?

- **Regulators must do their part to help expedite the essential infrastructure** that is needed both here and in Europe in order to bolster infrastructure.
- **We currently lack a definitive guide**, or at minimum, a general expectation of how long it might take to navigate the way through the authorization process.

6. What about Europe? What should they be doing?

- **Europe's ability to ensure a secure, diverse energy future is directly linked to accelerated investments in their infrastructure** and to long term contracts enabling LNG. This is also the path forward to a low carbon future for Europe.
- Europe has an estimated **LNG import capacity of 22.6 Bcf/d** as of May 2022, but the reality is that **50-80% of that import capacity hinges on expanded pipelines** and infrastructure.

7. Will Europe's urgent need for reliable and secure energy cause changes in how LNG contracts work?

- **Europe can secure its natural gas supply by signing long-term contracts** with LNG suppliers: The length may vary, but generally they are 15 to 20 years or even longer since the U.S. LNG market is evolving to better serve both customers and providers.

8. How realistic are the pledged amounts in the U.S.-EU Cooperative Agreement?

- **The agreement pledges to supply EU countries with an additional 15 billion cubic meters (Bcm) of LNG** in 2023 and 50 Bcm by 2030. This essentially **replaces the amount of Russian LNG** imported into Europe annually.
- The challenge in meeting the pledged volumes is two-fold:
 1. The U.S. is currently **maxing out our existing export capacity**
 2. We **cannot deprive buyers in other countries** with signed contracts who also have a demonstrably great need for LNG.

The clear solution is to construct more capacity so that more LNG is available for all our customers.
- To put the quantities of the agreement into context:
 - Current U.S. LNG exports equal roughly **12 Bcf/d on average**
 - **15 Bcm** is equivalent to an additional **1.45 Bcf/d on average**
 - **50 Bcm** is equivalent to an additional **4.8 Bcf/d on average**

LNG INDUSTRY LINGO

MEASUREMENTS

Bcm = Billion cubic meters
Bcf = Billion cubic feet
Bcf/d = Billion cubic feet per day

1 Bcm = 35.3 Bcf
1 Bcf = 0.028 Bcm

Current estimates for all projects waiting for regulatory approval represent about 4.27 Bcf/d.

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