

U.S. LNG Exports: Risky, Dirty, and Bad for U.S. Consumers

Building More LNG Plants Risks Oversupply, Increased Pollution, and Higher Natural Gas Prices

U.S. LNG May Already Be Overbuilt

A huge amount of capacity is under construction...

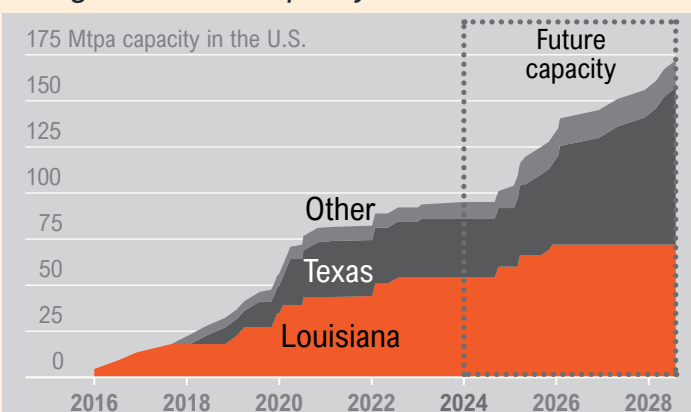


Chart by IEEFA, based on data from Kpler, the U.S. Energy Information Administration, and company reports.

...in the U.S. and around the world

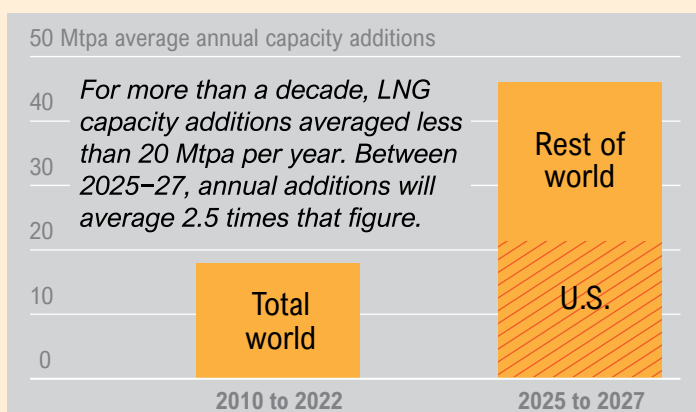


Chart by IEEFA, based on International Gas Union and company reports.

Impending supply glut? With so much LNG capacity coming online, and after years of low demand growth due to COVID-19 and high prices, global LNG markets are [at risk of a glut](#). Global markets don't need more U.S. LNG.



There are seven new LNG export projects under construction that will rely on U.S. gas. Collectively, these projects have enough capacity to nearly double the nation's LNG exports by 2028.



Globally, there are also new LNG supply projects under construction in Qatar, Australia, Canada, Russia, Mexico, Mozambique, Nigeria, Malaysia, Gabon, and Mauritania.



From 2025-2027, the world will add nearly two and a half times as much new LNG capacity per year as it averaged from 2010 through 2022.

LNG Exports Have Hurt Domestic Natural Gas Consumers

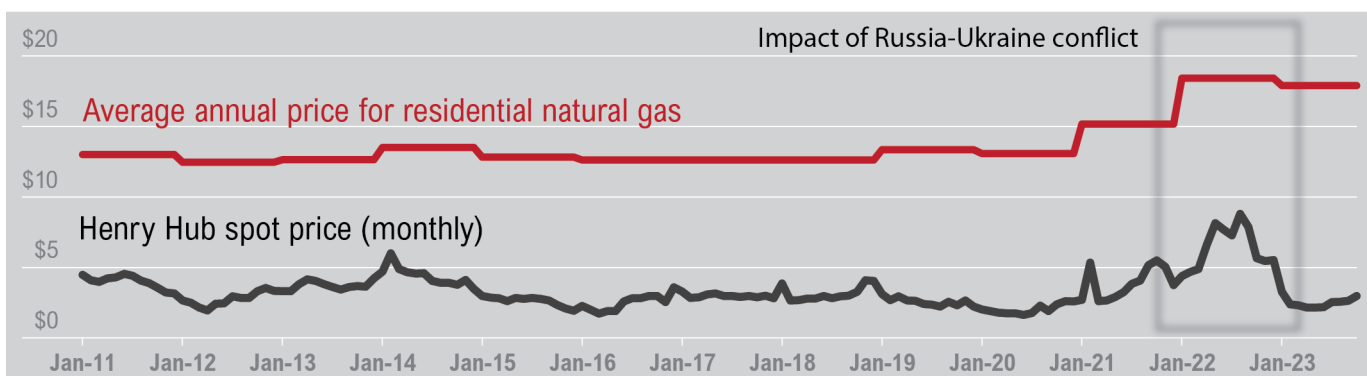


Chart by IEEFA, based on data from the U.S. Energy Information Administration and IEEFA analysis. Note: 2023 average natural gas price January-October.

LNG exports triggered a massive spike in U.S. natural gas prices during the early stages of the Russia-Ukraine conflict. Surging U.S. LNG exports to Europe left domestic gas markets in short supply, pushing up prices to their highest levels in more than a decade.

Residential consumers are still [paying the price](#) for LNG exports. Gas utilities passed on higher wholesale costs directly to consumers. *As the U.S. exports more and more of its natural gas, it risks importing higher and more volatile prices as a result.*



LNG Is Riskier and Dirtier Than Advertised



LNG plants pose a major safety threat, and one has already exploded

The Freeport LNG project blew up in June 2022, [creating a 450-foot-high fireball](#) that closed the plant for more than six months.

LNG causes more pollution than typical gas

Producing and transporting LNG consumes significant amounts of fossil fuels and causes additional methane leaks. LNG is simply liquefied methane, which is a powerful global warming gas. Some countries that buy U.S. LNG, including China, have [no methane emissions standards at all](#).

LNG is not meaningfully replacing coal in Asia

In China, coal consumption has boomed despite long-term growth in LNG imports. China generally uses coal in large industries (electricity, cement, steel) that need a cheap fuel source—and LNG is simply too expensive to compete. LNG plays a specialized role in China's energy economy, which means that more LNG doesn't necessarily mean less coal.

Communities near U.S. LNG plants suffer due to pollution

For example, [Venture Global's Calcasieu Pass LNG](#) project violated volatile organic compound (VOC) standards 139 times in 2022 alone, and had 47 air pollution violations—resulting in 1.8 pollution incidents per LNG cargo that year.