

# **EIA -- U.S. will be a net natural gas exporter by 2040, even with the most conservative projection**

**Robert Grattan, FuelFix, 4-28-15**

HOUSTON — The U.S. could export anywhere between 0.2 trillion cubic feet and 10.3 trillion cubic feet of liquefied natural gas annually by 2040, according to the latest government projection.

Where along that spectrum the actual figure lands will be determined by global energy prices and the availability of U.S. natural gas, the agency said in a Tuesday rehashing of projections made in the Annual Energy Outlook for 2015.

The wide range of outcomes hasn't stopped U.S. companies from proposing dozens of new export facilities. While market watchers have said that it's unlikely all of these facilities will come online, several are on track to begin shipping within the decade. Freeport LNG, near Houston, secured the final piece of financing for its \$12.5 billion liquefied natural gas export terminal on Tuesday, placing the company on track to begin sending gas abroad within three years.

But while the EIA has said that the U.S. will become a net exporter of natural gas by 2017, the agency said that the scope of the total industry is uncertain.

Most of the growth in U.S. net natural gas exports happens before 2030, the agency said, as big production gains from shale allow the U.S. to meet its growing domestic demand for the gas and then some. About three-quarters of the growing production will come from shale, and more than half the shale production gains comes from the Haynesville and Marcellus formations, the EIA said.

The highest range of U.S. gas exports will happen if new technology and drilling continue to increase the amount of gas coming from U.S. shale. In that case, U.S. prices will remain much lower than global prices, encouraging both pipeline and liquefied natural gas exports. The high end of this range would be about 10.3 trillion cubic feet for LNG exports per year and 2.9 trillion cubic feet for pipeline exports in 2040.

In the low prices scenario envisioned by the EIA, international gas prices stay low and exports aren't able to make as much money selling U.S. gas abroad. That and other variables could put LNG exports at 0.2 trillion cubic feet annually.

In both cases, pipeline exports of natural gas grow thanks to new demand from Mexico. The low case puts pipeline exports at 1.1 trillion cubic feet, while the higher estimate remains 2.9 trillion cubic feet.