



NEWS

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Liquefied Natural Gas Important Part of Nation's Energy Supply

(Washington, DC) During a hearing of the House Select Committee on Energy Independence and Global Warming on Wednesday, Clay Harris, president and CEO of Suez LNG, North America, said that liquefied natural gas is safe, reliable, and an important part of the nation's energy mix.

"Even with our obvious enthusiasm for LNG, we recognize that LNG alone cannot meet all of our growing needs for natural gas. We view LNG as an important energy source in addition to other North American natural gas supplies, not as a substitute for them," Harris said in his prepared remarks.

His firm is a member of the Natural Gas Supply Association, a trade group which promotes a balanced national energy policy, competitive markets and the reliable transportation and delivery of natural gas.

Harris noted that Liquefied Natural Gas (LNG) helps keep downward pressure on prices by helping diversify and increase the nation's energy mix.

"Right now, LNG constitutes approximately two percent of the natural gas supply in the U.S.," said R. Skip Horvath, president and CEO of the Natural Gas Supply Association. **"Approximately 82 percent of America's natural gas comes from domestic supplies, with another 15 percent or so coming from Canada. LNG, as well as more domestic production, will become increasingly important in future years when imports from Canada are expected to decline and demand for natural gas is expected to increase."**

There are about 40 LNG terminals that are either before the Federal Energy Regulatory Commission or being discussed by industry for North America. According to FERC, only 12 of the 40 proposed terminals will likely be built due to market forces. Seven terminals which handle imported LNG are already operating on the East Coast, Gulf Coast, and Puerto Rico, while another port in Alaska exports LNG.

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Liquefying natural gas requires cooling it to about minus 260° Fahrenheit. The process reduces the volume of natural gas by more than 600 times, allowing it to be efficiently shipped over the ocean. Once it reaches the United States, LNG is unloaded from ships at import terminals where it is stored as a liquid until converted back to natural gas. The natural gas is then sent through pipelines for distribution to businesses and homeowners.

LNG is an odorless, non-toxic and non-corrosive liquid, and if spilled with no ignition source, LNG evaporates quickly and leaves no residue.

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NGSA represents integrated and independent companies that produce and market domestic natural gas. Established in 1965, NGSA encourages the use of natural gas within a balanced national energy policy, and promotes the benefits of competitive markets to ensure reliable and efficient transportation and delivery of natural gas and to increase the supply of natural gas to U.S. consumers.