



Future Prospects for Shale Gas in the United States

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Outline



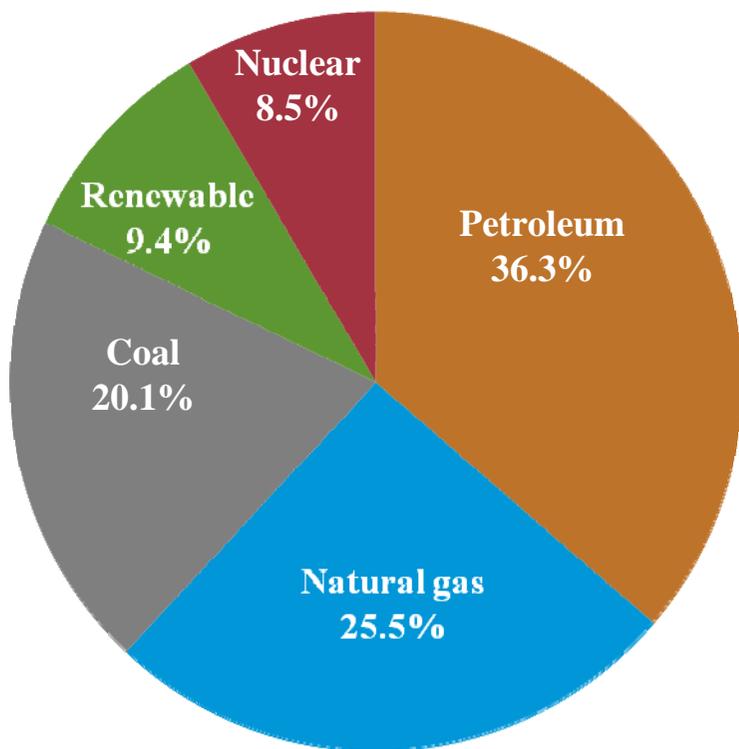
- U.S. natural gas supply
- Procedures for considering natural gas exports



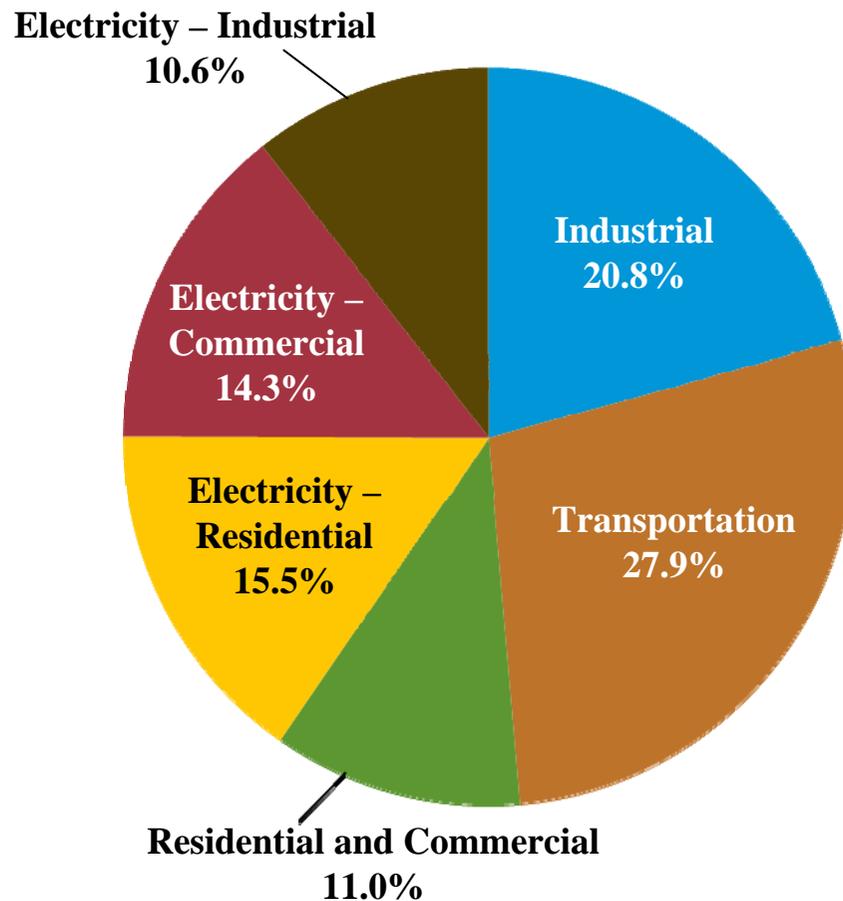
U.S. Energy End Use

2011 total U.S. energy use = 97.2 quadrillion Btu

Primary energy demand by fuel



Primary energy demand by sector

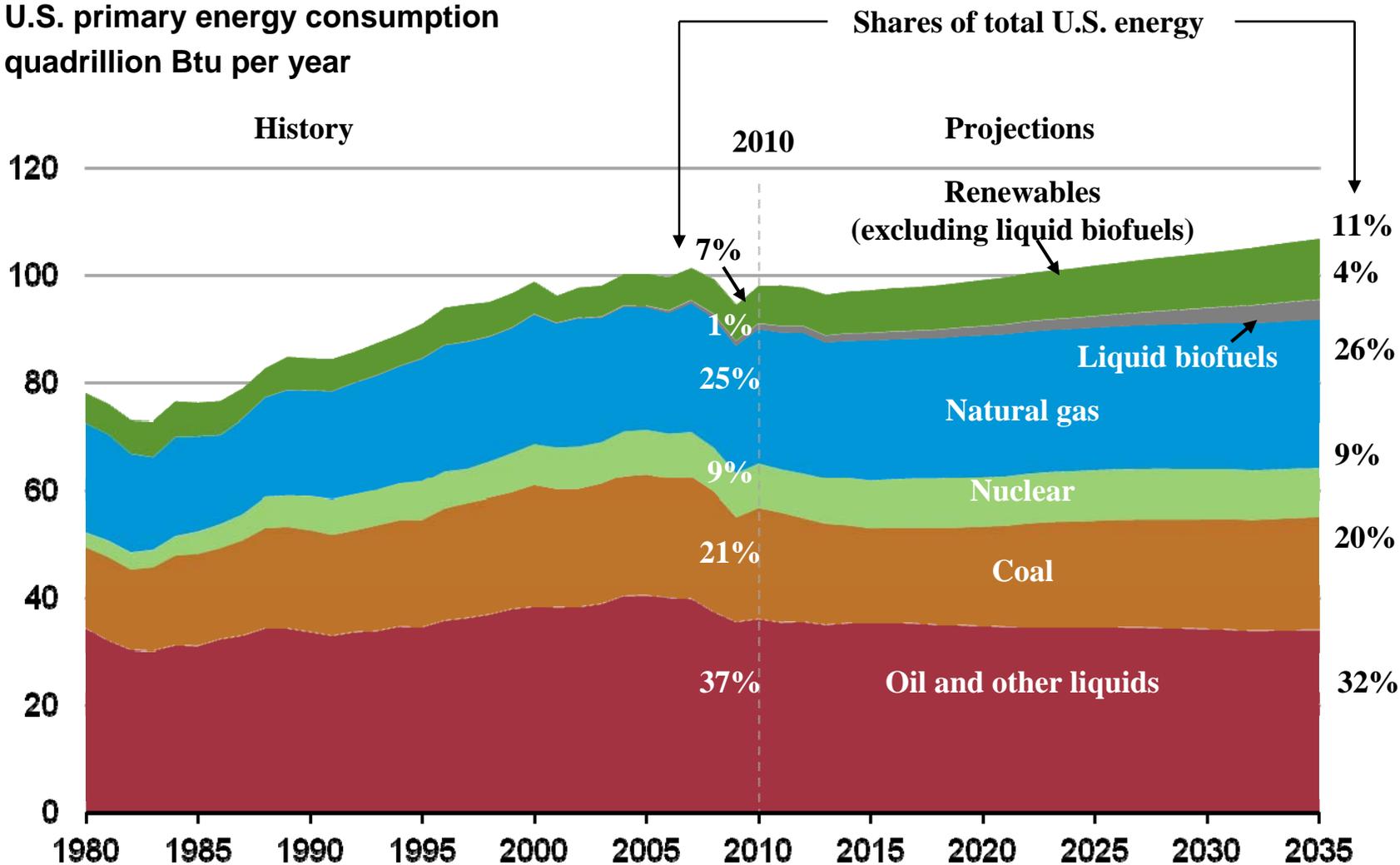


Source: EIA, Monthly Energy Review, August 2012



Overall Energy Supply

U.S. primary energy consumption
quadrillion Btu per year

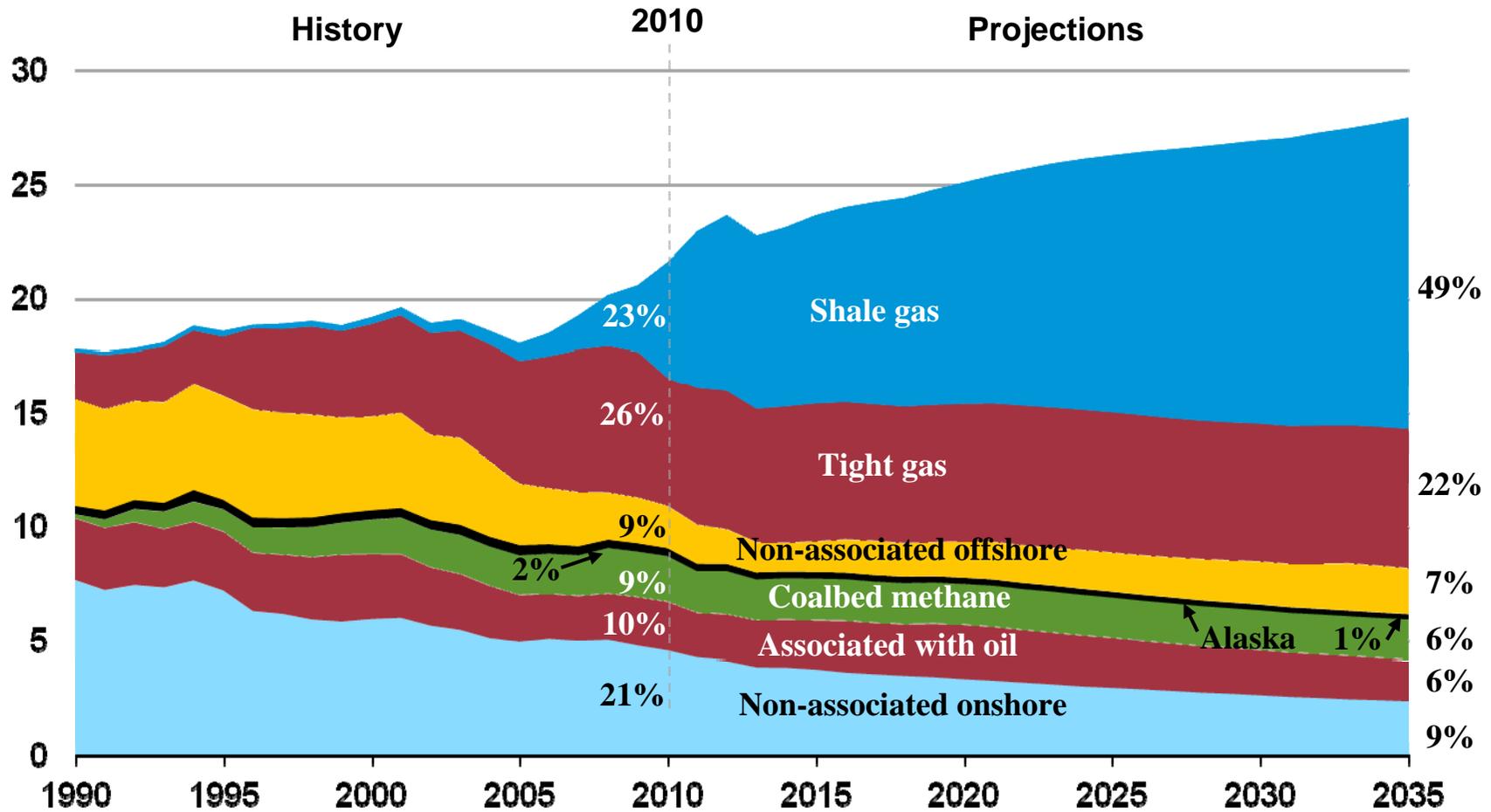


Source: EIA, Annual Energy Outlook 2012



Natural Gas Supply

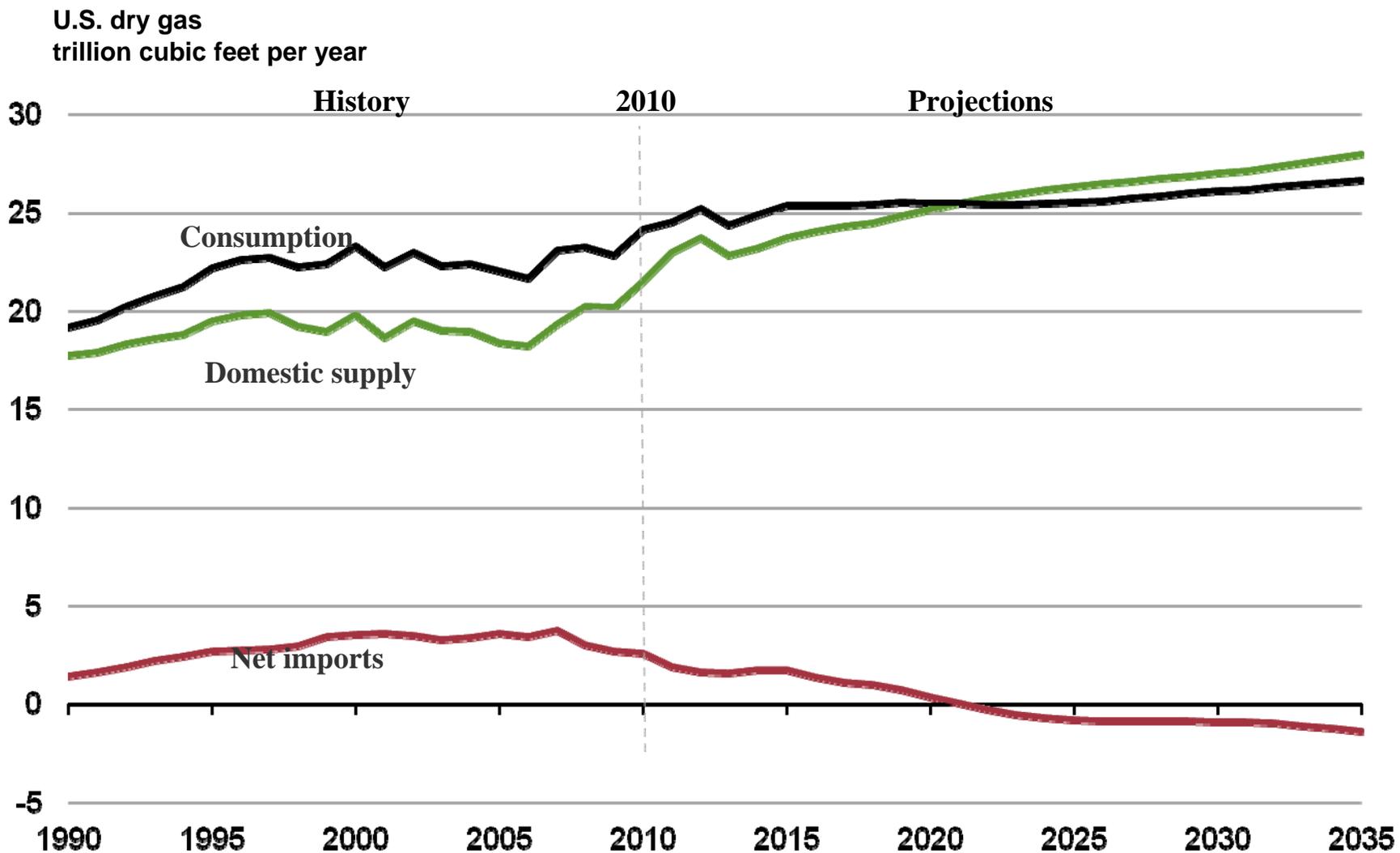
U.S. dry gas production
trillion cubic feet per year



Source: EIA, Annual Energy Outlook 2012



Natural Gas Supply



Source: EIA, Annual Energy Outlook 2012

Decision-Making on Natural Gas Import/Export



➤ **Statutory authority**

- **Natural Gas Act**
- **Department of Energy Organization Act**

➤ **Differentiated treatment**

- **Countries with which U.S. has free trade agreement**
- **Countries with which U.S. does not have FTA**

➤ **“Standard of review”**

- **Rebuttable presumption that a proposed export of natural gas to a non-free trade agreement country is in the public interest**
- **A proposed export to most free trade agreement countries are deemed in the public interest**



Evaluation Criteria

- Adequacy of domestic natural gas supply
- U.S. energy security
- Other Considerations:
 - Impacts on U.S. economy, consumers, and industry, including price impact
 - Job creation
 - U.S. balance of trade
 - International considerations
 - Environmental considerations
 - Consistency with DOE policy promoting competition in the marketplace through free trade arrangements
 - Issues raised by parties commenting on applications or deemed relevant
- Criteria are non-Statutory
 - Determined by DOE utilizing precedent of prior decisions and reasoned decision-making
 - Publicly transparent – described in DOE Federal Register Notice of application

DOE Cumulative Impact of Exports Study



- In order to address the potential cumulative impact of a grant of the pending applications, DOE has commissioned a two-part case study with:
 - DOE Energy Information Administration
 - Private Contractor
- Taken together this two-part case study will address the impacts of additional natural gas exports on:
 - Domestic energy consumption, production, and prices, as well as the impact on other domestic energy sectors
 - Cumulative impact on the U.S. economy (GDP), job creation, and balance of trade
- EIA analysis completed and report issued January 19, 2012; results being used as input to the private contractor macroeconomic study
 - EIA's Report can be found at: <http://www.eia.gov/analysis/requests/fe/>
- The second part of the study will assess the broader economic effects of increased natural gas exports.



Thank You

**For more information
please visit**

www.fossil.energy.gov

**and select the link to
“Natural Gas Regulation”**