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LNG Allies™
THE US LNG ASSOCIATION



U.S. Chamber of Commerce

February 28, 2023

The Honorable Jennifer Granholm
Secretary of Energy
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585

Dear Secretary Granholm,

As an international coalition of trade associations and leading public policy research organizations with business in every G7 country, we commend you for identifying energy security as a key policy priority. We strongly support your efforts and respectfully offer a set of recommendations that we believe will advance energy security goals for G7 members and their allies.

Russia's brutal war has inflicted damage not only on Ukraine, but on the global economy as well. In weaponizing its energy resources, Russia has driven a global surge in natural gas prices, ongoing heightened price volatility, and caused severe supply disruptions. The dynamics have also contributed to many countries deepening their reliance on coal-fired power generation, further complicating emissions reductions targets.

In response, the G7 and G20 countries have rightly recognized the urgent need to expand the supply of low-emission, non-Russian natural gas to diversify energy supplies for Europe and rebalance global natural gas markets, thereby bolstering the energy security of each country. For example:

- In June, G7 leaders recognized “the important role increased deliveries of LNG can play” in phasing out dependency on Russian energy and that “investment in this sector is necessary in response to the current crisis.”
- Over the last several months, the G7 and other leading economies have launched bilateral and multilateral initiatives – such as the Japan-US Energy Security Dialogue, the US-UK Energy Security and Affordability Partnership, and the US-EU Task Force on Energy Security – to diversify their energy supplies and expand production and exports of LNG.
- In November, G20 leaders pledged to “rapidly scale up the deployment of zero and low emission power generation” and ensure that “global energy demand is matched by affordable energy supplies.”

In furtherance of these statements, industry is committed to ensuring natural gas projects are aligned with international climate objectives and net zero ambitions. The industry also believes these projects can accelerate the development of promising low-carbon technologies, including CCUS, Hydrogen and Renewable Natural Gas (RNG).

However, there remains a significant gap between the commitments to replace Russian natural gas and the policies necessary to achieve that goal. Obstacles vary by country but include excessive restrictions on public financing of natural gas projects and unnecessary delays in approving privately financed projects, both of which impede development of the critical infrastructure needed to expand output and exports.

The upcoming G7 is an opportunity to address these impediments and close the gap between goals and outcomes. Specifically, with a view to ending dependence on Russian natural gas, stabilizing global energy markets and accelerating the phase-out of coal-fired power generation, G7 leaders should work with industry to:

- Encourage public and private investment in all segments of the natural gas supply chain – upstream, midstream and downstream – to ensure sufficient supplies and decarbonization of the sector;
- Review and modify, as appropriate, existing guidelines and practices with respect to public financing of natural gas infrastructure; and
- Review and modify, as appropriate, existing regulatory regimes and practices to facilitate timely approval of requests to develop and operate natural gas infrastructure.

To further this conversation, we cordially invite you or your CERAWeek delegate to participate in a joint energy security forum on **Tuesday, March 7 from 2:00-4:00 PM CT during the CERAWeek conference in Houston, TX. The forum will be held at the Hilton Americas-Houston on Level 3 in room H330. Please send your RSVP to Dan Byers at the U.S. Chamber of Commerce: dbyers@uschamber.com.** We believe this will be an excellent opportunity for G7 member delegations to engage directly with high-level industry executives operating across all aspects of the natural gas value chain.

Once again, we commend the G7 for its leadership during this critical time and appreciate you considering our invitation.

Sincerely,

American Petroleum Institute
Asia Natural Gas Energy Association
Energy Policy Research Foundation
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International Association of Oil & Gas Producers
International Gas Union
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