Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND ACCOUNTABILITY 2157 RAYBURN HOUSE OFFICE BUILDING

Washington, DC 20515-6143

MAJORITY (202) 225–5074 MINORITY (202) 225–5051 https://oversight.house.gov

March 18, 2024

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

Dear Secretary Granholm:

The Committee on Oversight and Accountability is conducting oversight of the Biden Administration's recent action to pause pending decisions on exports of Liquified Natural Gas (LNG) to non-Free Trade Agreement countries. American LNG projects—subject to the pause—face unprecedented hurdles for necessary permits, construction, and capitalization—all while "rivals have the approvals in hand." The Department of Energy's (DOE) determination to evaluate "whether additional [LNG] export authorization requests to non-Free Trade Agreement countries are in the public interest" will damage our nation's national security and energy security should the pause continue or extend indefinitely. The Committee is concerned with DOE's move to update its public interest analysis of LNG export applications without adequate justification, in an apparent attempt to appease liberal advocacy groups determined to destroy our nation's traditional energy sector. The Committee is seeking information and a staff-level briefing to understand DOE's role in executing the LNG export pause, whether there were political factors that led to this decision, and how DOE is interacting with other federal agencies regulating LNG.

On February 8, 2024, DOE Deputy Secretary David Turk testified before the U.S. Senate Committee on Energy and Natural Resources that DOE's public interest analysis would take

¹ The White House, Statements and Releases, FACT SHEET: Biden-Harris Administration Announces Temporary Pause on Pending Approvals of Liquefied Natural Gas Exports (Jan. 26, 2024).

² S&P Global, Corey Paul, US LNG developers react to White House pause on issuing new LNG permits (Jan. 30, 2024).

³ Dep't of Energy, Press Release, *DOE to Update Public Interest Analysis to Enhance National Security, Achieve Clean Energy Goals and Continue Support for Global Allies* (Jan. 26, 2024).

⁴ Dave Boyer and Ramsey Touchberry, *Biden's election-year freeze on new LNG exports cheers climate voters, rattles America's allies*, WASH. TIMES (Jan. 27, 2024).

⁵ Benoit Morenne, *America's Gas Bonanza Brings Biden New Political Dilemmas*, WALL ST. J. (Jan. 12, 2024); Benoit Morenne and Andrew Restuccia, *How the Rockefellers and Billionaire Donors Pressured Biden on LNG Exports*, WALL ST. J. (Feb. 8, 2024).

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"months, not years." However, tasking DOE's National Laboratories to perform economic and environmental analysis associated with the LNG export pause could take significantly longer — jeopardizing the long planning horizons of LNG exporters and importers —and breaks precedent for similar analyses. The timing of the decision, in an election year, raises the likelihood that political motivations drove the action—as in President Biden's misuse of the Strategic Petroleum Reserve (SPR) before the 2022 midterm elections and cancellation of the Keystone XL pipeline on his first day in office. Further, reports indicate the Biden Administration's action was taken at the direction of leftist environmental groups and climate activists who seek a permanent stop to all use and exports of LNG. The *Wall Street Journal* reports that leftist environmental group activism spurred the Biden Administration to initiate the pause—following billionaire donors' and activists' years-long campaign to influence the U.S. government to oppose LNG projects. ¹²

The Natural Gas Act (NGA) does not define "public interest" in setting DOE's authority to regulate LNG exports. ¹³ But new calls to add "greenhouse gas emissions including carbon dioxide and methane, and other factors" ¹⁴ to the public interest analysis significantly departs from DOE's traditional practice of evaluating economic and national security factors in LNG public interest determinations. ¹⁵ The Biden Administration's "whole-of-government" approach combined with DOE's LNG export pause raises concerns that other federal agencies with LNG duties will reduce their efforts to provide a transparent and efficient regulatory process for LNG projects and hinder further approvals. We've recently seen evidence of these changes as the Federal Energy Regulatory Commission (FERC) issued new guidance "to assess the impacts of natural gas infrastructure projects on climate change in its reviews under the National

⁶ Hearing to Examine the Administration's Pause on LNG Export Approvals and the Department of Energy's Process for Assessing LNG Export Applications, Hearing Before the S. Comm. on Energy and Natural Resources, 118th Cong. (Feb. 8, 2024) (statement of David Turk, Deputy Sec'y, U.S. Dep't of Energy).

⁷ Letter from Frank D. Lucas, Chairman, H. Comm. on Science, Space, and Tech., *et al.*, to Jennifer Granholm, Sec'y, Dep't of Energy (Feb. 7, 2024).

⁸ Ben Geman, What we've learned about Biden's LNG pause in week two, AXIOS (Feb. 9, 2024).

⁹ Supra, n. 7.

¹⁰ Letter from James Comer, Chairman, H. Comm. on Oversight and Accountability, and Pat Fallon, Chairman, H. Subcomm. on Economic Growth, Energy Policy, and Regulatory Affairs, to Jennifer Granholm, Sec'y, Dep't of Energy (Apr. 4, 2023); *See also* John A. Hill, Before the Midterms, Biden Abused the Strategic Petroleum Reserve, Wall St. J. (Nov. 10, 2022). Rob Gillies, *Keystone XL pipeline halted as Biden moves to cancel permit*, PBS (Jan. 20, 2021)

¹¹ Benoit Morenne and Andrew Restuccia, *How the Rockefellers and Billionaire Donors Pressured Biden on LNG Exports*, WALL St. J. (Feb. 8, 2024). *See* NRDC, Morgan Johnson, *DOE Puts People First: LNG Exports Paused Pending Review* (Jan. 31, 2024).

¹² Benoit Morenne and Andrew Restuccia, *How the Rockefellers and Billionaire Donors Pressured Biden on LNG Exports*, WALL ST. J. (Feb. 8, 2024).

¹³ 15 U.S.C. § 717b.

¹⁴ Supra, n.3.

¹⁵ Akin Gump Strauss Hauer & Feld LLP, Emily P. Mallen, et al., Implications of US Department of Energy Decision to 'Pause' Authorizations of Liquefied Natural Gas Exports May Extend Beyond Delays to Pending Projects (Jan. 31, 2024).

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Environmental Policy Act (NEPA)" and the NGA. ¹⁶ The Biden Administration appears to be weaponizing DOE's public interest analysis and the administrative state to prolong new LNG export project approvals at the behest of leftist environmental groups.

To assist the Committee's oversight of the Biden Administration's decision to pause LNG exports, please provide the following documents and information, covering the time period January 20, 2021 to present, no later than April 1, 2024:

- 1. All documents and communications between DOE and the White House, including but not limited to John Podesta and Ali Zaidi, referring or relating to the LNG exports pause;
- 2. All documents and communications between DOE and nongovernmental organizations referring or related to the LNG exports pause;
- 3. All documents and communications between DOE and the National Laboratories referring or relating to economic and environmental analysis associated with the LNG exports pause, including all drafts;
- 4. All documents and communications within DOE's Office of Fossil Energy and Carbon Management (FECM) referring or relating to the LNG exports pause; and
- 5. All documents and communications between DOE and the following federal agencies referring or relating to the LNG exports pause:
 - a. FERC;
 - b. Pipeline and Hazardous Materials Safety Administration;
 - c. Maritime Administration;
 - d. U.S. Coast Guard; and
 - e. U.S. Army Corps of Engineers.

Additionally, please provide a staff-level briefing on this matter as soon as possible, but no later than March 25, 2024.

Attached are instructions for producing the documents and information to the Committee. If you have any questions, please contact the Committee on Oversight and Accountability Majority staff at 202-225-5074.

¹⁶ Federal Energy Regulation Comm'n, Press Release, *Fact Sheet: Interim Greenhouse Gas (GHG) Emissions Policy Statement* (Feb. 17, 2024) (PL21-3-000).

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The Committee on Oversight and Accountability is the principal oversight committee of the U.S. House of Representatives and has broad authority to investigate, "any matter" at "any time" under House Rule X. Thank you for your attention to this important matter.

Sincerely,

Iames Comer

Chairman

Committee on Oversight and Accountability

Pat Fallon

Chairman

Subcommittee on Economic Growth, Energy Policy, and Regulatory Affairs

Clay Higgins

Member of Congress

cc: The Honorable Jamie Raskin, Ranking Member Committee on Oversight and Accountability

The Honorable Cori Bush, Ranking Member Subcommittee on Economic Growth, Energy Policy, and Regulatory Affairs

The Honorable Willie L. Phillips, Chairman Federal Energy Regulatory Commission

Tristan Brown, Deputy Administrator Pipeline and Hazardous Materials Safety Administration

The Honorable Ann C. Phillips, Administrator Maritime Administration

Linda L. Fagan, Commandant U.S. Coast Guard

Lieutenant General Scott A. Spellmon, Chief of Engineers and Commanding General U.S. Army Corps of Engineers