



Fossil Fuel Exports

Exploring the Implications of Selling Homegrown Energy

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The U.S. energy landscape is changing. Quite suddenly we are less than 50 percent dependent on foreign oil. We are, by many estimates, awash in natural gas. And overseas demand for our coal is on the rise as coal's share of our electricity production declines.

At the Center for American Progress we believe that two overarching goals should guide our energy policies: achieving a significant reduction in emissions of global warming pollutants and moving as fast as we can toward a clean energy economy. An economic growth strategy that depends on fossil fuel extraction and exports won't get us there.

This two pager briefly outlines the factors driving coal and gas exports and offers recommendations to ensure our energy development proceeds sustainably.

Battles over exports intensify

As a nation we've been vigorously arguing over energy for many decades. Lately, those debates have moved onto less familiar terrain: whether we should be exporting our abundant coal and natural gas resources and the petroleum products refined from tar sands crude delivered to the United States from Canada through the Keystone XL pipeline.

Pressure to export liquefied natural gas is rising, propelled by large shale gas finds and low domestic gas prices. The Department of Energy recently approved a permit to retrofit a Louisiana LNG import terminal so it can handle exports. More such permit applications are pending. Legislation to block federal approvals of new terminals until 2025 and prohibit the export of gas from federal lands has been introduced in Congress amid fears that large exports will prove costly for U.S. consumers.

Meanwhile, the coal industry is looking to exports to Asia to cushion a decline in its share of the U.S. electricity market. In the Pacific Northwest three highly controversial proposals for export terminals are in the works. In the Powder River Basin of Wyoming, home to 40 percent of U.S. coal production, the Interior Department has within the last year moved to lease rights to more than 2 billion tons of coal on federal lands.

Finally, the controversy over the Keystone XL Pipeline that would bring tar sands crude from Canada to the Gulf Coast area has spurred debate over how much of the petroleum products we would refine from that crude could and should be exported. Efforts to bar those exports have so far failed in Congress but are unlikely to be abandoned.

CAP's recommendations

The question of whether we should pursue an extraction-and-export model for the U.S. economy is a long-term one. But the administration and Congress are making choices every day that will put us either on this path or on the more sustainable path toward a clean energy future. CAP recommends the following actions to get us on the right path today both in terms of export policy and safe development of our gas resources.

- The Department of Energy should not approve additional LNG export applications until the full economic, social, and environmental impacts are better understood.
- The National Academy of Sciences should conduct a thoroughly credible study of the lifecycle greenhouse gas emissions of shale gas so policymakers can accurately assess whether it actually has significant advantages over coal.
- Congress and the executive branch should adopt measures to require gas developers to minimize fugitive methane emissions and adopt best practices to protect surface and underground water supplies including testing of nearby water supplies both before and after drilling.
- Congress should strengthen federal oversight of gas development by reassessing the many exemptions from bedrock environmental laws enjoyed by the oil and gas industry.
- The administration and Congress should require full public disclosure of chemicals used in hydraulic fracturing of oil and gas wells on both public and private lands.
- Policymakers should authorize a study to achieve a better understanding of the impacts of large U.S. coal exports on worldwide emissions of greenhouse gases.
- The administration should set ambitious goals for reducing the overall greenhouse gas emissions from energy development on federal lands and for making renewable energy on public land a significantly larger share of the overall federal land energy portfolio.
- The United States should not approve the Keystone XL pipeline because of potential threats to health and safety and the increase in global warming production that would come from expansion of tar sands development in Canada.