



Institute for
Policy Integrity
NEW YORK UNIVERSITY SCHOOL OF LAW

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Contact: Derek Sylvan | (614) 638-8282 | derek.sylvan@nyu.edu

NEW REPORT ANALYZES CLIMATE COSTS AND ECONOMIC BENEFITS OF LNG EXPORTS
As Biden administration pauses LNG decisions, Institute for Policy Integrity analysis can support a more thorough review

Today, the Biden administration [announced a temporary pause on approvals for Liquefied Natural Gas \(LNG\) export](#) until the Department of Energy (DOE) can update the underlying analyses for authorizations. The U.S. is the world’s largest LNG exporter and DOE has approved dozens of discretionary, long-term export applications since 2010. These export approvals, which are valid for decades, have generated controversy due to their climate effects.

In [a new report](#), the Institute for Policy Integrity at NYU School of Law analyzes the consumer welfare benefits and climate costs of LNG export, using data from DOE’s own published studies. We find that the gross climate costs associated with exporting one billion cubic feet of LNG per day for one year are \$0.93 billion to \$7.63 billion (in 2016 dollars). This is vastly higher than the estimated consumer welfare benefits of that same action, which range from \$405 million to \$515 million. While the precise difference between climate costs and consumer welfare benefits depends on several factors and assumptions—including the share of gas production that merely displaces fossil-fuel production from other sources, the economic value assigned to climate damages, and the adoption of carbon-capture technology—our findings indicate that climate damages very likely exceed consumer welfare benefits under a wide range of scenarios evaluated.

These findings provide useful insights as DOE prepares to re-evaluate the LNG export program. In particular, our findings provide a potential basis for DOE to rationally conclude that future export applications do not serve the public interest. At a minimum, our analysis supports DOE’s efforts to more closely scrutinize export applications and provides important data for the agency’s consideration.

Minhong Xu and Max Sarinsky, the authors of this report, are available for interviews on these issues.

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