

# Summary of *Protecting American Households from Rising Energy Costs Act of 2024*

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**Summary:** The *Protecting American Households from Rising Energy Costs Act of 2024* would prohibit the export of US crude oil or Liquefied Natural Gas (LNG) to China, Iran, North Korea or Russia. It also establishes a process to waive these restrictions for U.S. national security.

**Background:** In passing the *Natural Gas Act*, Congress explicitly instructed the Department of Energy (DOE) not to approve projects to export LNG to countries without a free trade agreement if doing so does not align with our national interest, yet U.S. LNG is being shipped to our competitors.

In 2021, 453 billion cubic feet of U.S. LNG were exported to China, accounting for 12.74% of exports and making China the second largest destination for U.S. LNG. Exports to China dropped in the wake of Russia's war on Ukraine, but are again rising.<sup>1</sup> Now China is locking up long-term LNG contracts for proposed projects. Almost one quarter of the volume of the long-term contracts entered-into by the LNG export facilities potentially impacted by DOE's LNG export approval pause are with Chinese customers.<sup>2</sup>

The rise in the export of LNG overseas is hurting consumers in America. The U.S. has tripled exports of LNG since 2019, becoming the world's largest exporter. Facilities under currently construction or that are fully approved and awaiting final investment decisions would almost triple today's export volumes and will not be impacted by DOE's pause on approvals. The Federal Energy Regulatory Commission (FERC) found that "continued growth in net exports, including from liquified [sic] natural gas (LNG) export facilities, will place additional pressure on natural gas prices."<sup>3</sup> The Energy Information Administration found that "higher LNG exports create a tighter domestic natural gas market... increasing domestic natural gas prices."<sup>4</sup>

The reversal of the crude oil export ban in 2015 resulted in an increase in annual crude oil exports to China from virtually zero in 2013 to a peak of 176 million barrels in 2020. In the first eleven months of 2023 the U.S. exported 160 million barrels of crude oil to China.<sup>5</sup>

The *Protecting American Households from Rising Energy Costs Act of 2024* would increase American energy security and protect by ensuring that valuable national resources are not being exported to adversarial nations and help keep domestic prices stable and affordable for American households and businesses.

**Legislative History:** By a vote of 85 to 12, the Senate adopted a provision on July 20, 2023 to prohibit entities owned or controlled by China, Russia, Iran, or North Korea from purchasing oil from the U.S. Strategic Petroleum Reserve (SPR) and prohibits exports of SPR oil to those countries.

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<sup>1</sup> Energy Information Administration: [https://www.eia.gov/dnav/ng/ng\\_move\\_expc\\_s1\\_a.htm](https://www.eia.gov/dnav/ng/ng_move_expc_s1_a.htm)

<sup>2</sup> Methane Madness, Friends of the Earth and Public Citizen: [https://foe.org/wp-content/uploads/2024/01/Liquified\\_Cash\\_Report\\_2024\\_final.pdf](https://foe.org/wp-content/uploads/2024/01/Liquified_Cash_Report_2024_final.pdf)

<sup>3</sup> Federal Energy Regulatory Commission: <https://www.ferc.gov/media/report-2022-2023-winter-assessment>

<sup>4</sup> Energy Information Administration: AEO2023 Issues in Focus: Effects of Liquefied Natural Gas Exports on the U.S. Natural Gas Market, May 2023: [https://www.eia.gov/outlooks/aeo/IIF\\_LNG/pdf/LNG\\_Issue\\_in\\_Focus.pdf](https://www.eia.gov/outlooks/aeo/IIF_LNG/pdf/LNG_Issue_in_Focus.pdf)

<sup>5</sup> Energy Information Administration: <https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=MCREXCH1&f=M>