

Summary of *Protecting American Households from Rising Energy Costs Act of 2025*

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Summary: The *Protecting American Households from Rising Energy Costs Act of 2025* would prohibit the export of U.S. petroleum products 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 public interest, yet U.S. LNG is being shipped to our competitors.

In 2024, 213 billion cubic feet of U.S. LNG were exported to China.¹ 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.²

The rise in the export of LNG overseas is hurting consumers in America. The U.S. has more than doubled exports of LNG since 2019, becoming the world's largest exporter. Facilities currently under 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."³ The Energy Information Administration heeded that "higher LNG exports create a tighter domestic natural gas market... increasing domestic natural gas prices."³ DOE further affirmed "a triple-cost increase to U.S. consumers from increasing LNG exports."⁴

Repeal of the crude oil export prohibition 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 2023, the U.S. exported over 167 million barrels of crude oil to China.⁵

The *Protecting American Households from Rising Energy Costs Act of 2025* would increase American energy security and protect consumers 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.

¹ Energy Information Administration, *U.S. Natural Gas Exports and Re-Exports by Point of Exit*, https://www.eia.gov/dnav/ng/ng_move_poe2_a_epg0_eng_mmc_f_a.htm?

² Friends of the Earth and Public Citizen, *Methane Madness* (2024), https://foe.org/wp-content/uploads/2024/01/Liquified_Cash_Report_2024_final.pdf

³ Energy Information Administration, *AEO2023 Issues in Focus: Effects of Liquefied Natural Gas Exports on the U.S. Natural Gas Market* (2023), https://www.eia.gov/outlooks/aeo/IIF_LNG/pdf/LNG_Issue_in_Focus.pdf

⁴ Department of Energy, Statement from U.S. Secretary of Energy Jennifer M. Granholm on Updated Final Analyses, *Economic, and Environmental Assessment of U.S. LNG Exports* (2024), <https://www.energy.gov/articles/statement-us-secretary-energy-jennifer-m-granholm-updated-final-analyses#:~:text=In%20fact%2C%20DOE%20analysis%20exposes,the%20pass%2Dthrough%20of%20higher>

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

The bill does the following:

Export Prohibitions

- Prohibit exports of LNG and other petroleum products to China, Iran, North Korea or Russia, either directly or indirectly through one or more third parties.
- Prohibit exports of LNG and other petroleum products to any entity operating in the territory of or territory owned by China, Iran, North Korea or Russia, either directly or indirectly through one or more third parties.
- Prohibit exports of LNG and other petroleum products to any entity that is under the ownership or control, as determined by the Secretary of Energy in consultation with the Secretary of the Treasury and the Secretary of Commerce to China, Iran, North Korea or Russia, either directly or indirectly through one or more third parties.

Compliance and Responsibility

- The export authorization holder must ensure compliance this Act and any other applicable law or policy, including rules, regulations, orders, and other determinations made by the Office of Foreign Assets Control of the Department of the Treasury; and the Federal Energy Regulatory Commission.

Waiver for National Security

- The DOE Secretary may waive the export prohibition if the Secretary determines that an imminent and acute national security emergency to the United States exists and that other means of responding to the emergency would be inadequate.

Civil Penalty and Enforcement

- There is a civil penalty for violation of this Act, that may not exceed \$250,000,000 or an amount that is twice the amount of the transaction.