



N A R U C
National Association of Regulatory Utility Commissioners

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NARUC Committee on Gas Publishes Updated Liquefied Natural Gas Handbook

WASHINGTON—The National Association of Regulatory Utility Commissioners has published a new liquefied natural gas handbook for regulators. *LNG: A Local Market—A Global Market, An Introductory Handbook for State Public Utility Commissioners* is a tool for regulators and others to understand the basics behind today's LNG market and facilitate a thoughtful discourse among producers, regulators and consumers.

Co-authored by Commissioner Diane X. Burman, of the New York State Public Service Commission, and Andreas D. Thanos, of the Massachusetts Department of Public Utilities, the handbook builds on NARUC's 2009 publication, *Global Liquefied Natural Gas Supply: An Introduction for Public Utility Commissioners*, which explored the supply dimensions of LNG. In the time that has elapsed since that publication, the United States has become an exporter of LNG and new gas production and liquefaction technologies have provided new opportunities for LNG use.

NARUC's immediate past president, Commissioner John Betkoski III, tasked the Committee on Gas, chaired by Burman, with developing a new handbook.

"When I assigned Commissioner Diane X. Burman and Andreas Thanos to author a new updated NARUC educational report on LNG, I was confident that their knowledge of natural gas and LNG would result in a document that most—if not all—regulators would find useful when we engage in discussions about LNG," said Betkoski. "I want to thank Commissioner Burman and Andreas for their thorough report and hope that NARUC continues to produce similar documents that benefit our membership."

The handbook also supports new NARUC President Nick Wagner's theme of 'Leading the Way,' which is focused on ensuring that commissioners have the tools and resources to be effective regulators.

"We are seeing LNG being used in innovative ways and not just as a winter peaking fuel. Generating facilities, industry, shipping and railroads are among the many segments of our economy that now routinely rely on LNG. Similarly, LNG is not limited to the coastal regions with import terminals anymore, as we see export terminals serving the international energy markets" said Wagner. "LNG is also used in some U.S. states, such as Iowa, by local distribution companies to supplement gas service."

Burman provides the following perspective, “LNG is not a fuel that all commissions deal with directly. However, a pipeline that feeds a facility may cross through our jurisdiction; trucks transporting liquid may drive through our roads; industry, such as fertilizer or transportation, may find LNG more economic than other fuels. Many of us are starting to see LNG used more routinely in our regions. Therefore, we are increasingly being called upon to carefully evaluate issues around the economics, the environment, power generation and cleaner fuels.”

2007 was the year that the U.S. imported the largest volume of LNG. Since then, and due to the new gas that became available through fracking, we are witnessing a gradual decrease in the volumes of LNG imported and a robust increase in the volumes of LNG exported from the U.S. Currently, the only LNG import facility is in Everett, Massachusetts.

“The LNG market is a global market. This market is developing as countries are moving from coal and oil to a cleaner fuel mix for heating and power generation,” said Thanos, who chairs the Staff Subcommittee on Gas. “A basic understanding of the dynamics of this global market is, therefore, essential when state regulators are called upon to provide their input in discussions concerning siting of facilities, pipelines or simply on how to tackle environmental problems locally and beyond our borders.”

The handbook, approved by the NARUC Board of Directors during its Annual Meeting and Education Conference in Orlando, Fla., November 11-14, is available at bit.ly/NARUC2018LNG.

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About NARUC

NARUC is a non-profit organization founded in 1889 whose members include the governmental agencies that are engaged in the regulation of utilities and carriers in the fifty states, the District of Columbia, Puerto Rico and the Virgin Islands. NARUC's member agencies regulate telecommunications, energy, and water utilities. NARUC represents the interests of state public utility commissions before the three branches of the federal government.