

Gil Porter, Brad Richards, Chad Mills in LNG Industry: Momentum, Headwinds and Opportunity

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The 'shale revolution' has kicked off an 'LNG revolution' in the US. The phenomenon came to fruition in February 2016, when the first shipment of LNG departed for Brazil from the recently completed Sabine Pass terminal in Louisiana. Since then, the US LNG supply market has grown exponentially.

The US Energy Information Administration (EIA) estimated in December 2018 that US LNG export capacity then was at 27.4 million tpy, and they expected then that the export capacity would more than double in 2019 and reach 67.6 million tpy. The rapid growth rate is likely to continue; when all planned and announced projects are considered, US capacity additions could reach 215 million tpy by 2023, nearly eight times the estimated capacity in December 2018.

Moreover, the EIA continues to forecast ample natural gas supply in the US and relatively stable US pricing for domestic natural gas over the next few decades, making LNG priced against US markets a predictable market for end-users. ...

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