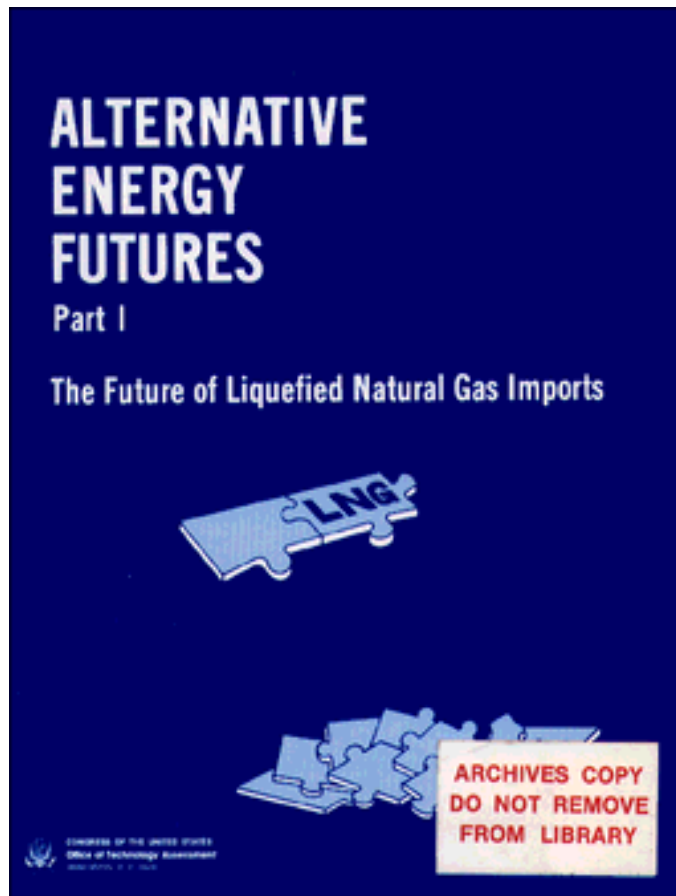


*Alternative Energy Futures: Part I-The
Future of Liquefied Natural Gas Imports*

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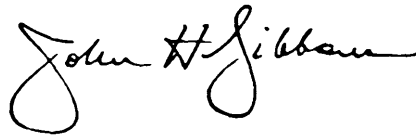
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Foreword

This assessment responds to a request by the Senate Committee on Finance for an evaluation of the economic and energy implications of any future liquefied natural gas (LNG) imports. This part of OTA's continuing examination of Alternative Energy Futures complements and expands upon an earlier OTA report, *Transportation of Liquefied Natural Gas*.

Highlights of the study include a discussion of worldwide availability natural gas for U. S. import as LNG, in the context of projected U.S. gas demand, alternative North American oil and gas resources, and the security of foreign supplies. The report also contains sections on LNG project structure, cost, and financing with observations about balance-of-payment impacts and public exposure to financial risk. Finally, an analysis of the behavior of gas markets in determining who receives additional supplies by virtue of LNG projects, and who pays for them, illustrates some of the practical effects of the Natural Gas Policy Act of 1978.

We are indebted to the members of the advisory panel and to numerous other individuals and institutions for suggestions, information, and critique. Also, the contribution of several contractors, who performed background research, is gratefully acknowledged.

A handwritten signature in black ink, reading "John H. Gibbons". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

JOHN H. GIBBONS
Director

Liquefied Natural Gas Advisory Panel

Jerome E. Hass, *Chairman*
Graduate School of Business and Public Administration
Cornell University

Seth Borgos
Director of Research
ACORN

Bruce M. Hannon
Director, Energy Research Group
University of Illinois

Irvin C. Bupp, Jr.
Graduate School of Business Administration
Harvard University

Michael Hogan
E. J. Rager & Associates

George Carameros
Chairman
EJ Paso LNG Company

Max M. Levy
Vice President
Columbia LNG Corporation

Melvin A. Conant
Conant and Associates, Ltd.

William R. Robertson
Executive Secretary-Treasurer
Los Angeles County
Federation of Labor

James C. Cruse
Vice president
Policy and Analysis
U.S. Export-Import Bank

Robert L. Solomon
Assistant Director
California Energy Resources Conservation &
Development Commission

Todd M. Doscher
Department of Petroleum Engineering
University of Southern California

Michael R. Eaton
Sierra Club

Macauley Whiting
The Dow Chemical Company

LNG Project Staff

Lionel S. Johns, *Assistant Director*
Energy, Materials, and International Security Division

Richard E. Rowberg, *Energy Program Manager*

J. Bradford Hollomon, *Project Director*

Fern Racine Gold Joanne Seder

Administrative Staff

Lisa Jacobson Lillian Quigg Yvonne White

Contractors

Jensen Associates, Inc. Steven C. Carhart S. Abraham Ravid

OTA Publishing Staff

John C. Holmes, Publishing Officer
Kathie S. Boss Debra M. Datcher Joanne Heming