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

March 1980

NTIS order #PB80-173552
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 of 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.

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