API's Vision for American Energy Leadership: Recommendations for the Department of Energy

The Department of Energy (DOE) plays a pivotal role in shaping the future of U.S. energy and ensuring global leadership. DOE approves and supports liquefied natural gas (LNG) exports, helping deliver American energy resources to global markets and strengthening energy security at home and abroad. In addition to LNG exports, DOE is essential in promoting low-carbon technologies such as hydrogen and carbon management solutions, which are critical for sustaining the economic strength of the oil and gas industry while reducing emissions. DOE's role in research and development (R&D), along with its grant programs, drives innovation, accelerating commercialization and ensuring that the U.S. remains at the forefront of energy solutions.

Moreover, DOE serves as an important international convening body for energy diplomacy, engaging with global partners to promote American energy leadership and foster international cooperation. As DOE continues to shape energy policy, its efforts in LNG, low-carbon technologies, and international leadership are essential to maintaining U.S. energy dominance.

API has submitted comments on several relevant regulations, which we encourage the transition team to review for additional insights and recommendations.

Included below are the following priorities:

- LNG Export Permit Pause *(FECM)*
- LNG Non-FTA Authorizations *(FECM)*
- Carbon Management Technologies
- Low-Carbon Hydrogen
- Energy Diplomacy *(OIA)*

Office of Fossil Energy and Carbon Management (FECM)

Key Issues:

- **LNG Export Permit Pause**
  API Ask: Lift the pause on reviews of authorizations to export LNG to non-free trade agreement (non-FTA) countries, per the federal court ruling.

  Context: On January 26, 2024, DOE announced that it was pausing its reviews of applications to export LNG to non-FTA countries while it undertakes a study to determine whether these projects are in the public interest. These permits are critical for obtaining financing and moving projects forward. U.S. LNG bolsters American economic growth, energy security and global emissions reductions – a fact that has been confirmed numerous times over the past decade. This misguided permitting pause should be lifted immediately, and DOE should ensure that any public interest study uses well-reasoned assumptions.

- **LNG Non-FTA Authorizations**
  API Ask: Return to regular order in which non-FTA applications are swiftly processed.

  Context: DOE should swiftly process all pending and future applications to ensure that the U.S. can capitalize on the benefits of LNG exports and resume its global energy leadership.

Low-Carbon Technologies:

- **Carbon Management Technologies**
  API Asks: Support the development of carbon capture, utilization and storage (CCUS), carbon dioxide removal (CDR), and carbon dioxide transportation technologies.

  Context: The U.S. oil and gas industry is a leading investor in CCUS and CDR technologies, given their critical role in maintaining economic competitiveness and energy reliability while reducing emissions. Through its deep history of carbon management and enhanced oil recovery (EOR), the industry has developed expertise in safely handling and utilizing CO2. DOE's longstanding support for technology innovation, project deployment, and infrastructure buildout is pivotal to positioning the U.S. as a competitive, global leader in carbon management solutions and markets. FECM and the Office of Clean Energy Demonstrations (OCED) should award funds appropriated in the Infrastructure Investment and Jobs Act for CCUS and CDR in a timely manner. Developing these here in the U.S. avoids reliance on energy supply chains dominated by other countries, including China.

- **Low-Carbon Hydrogen**

  API Asks: Continue supporting the development of low-carbon hydrogen technologies, including 'blue hydrogen' produced from natural gas, through targeted funding opportunities, research initiatives and other strategic efforts.

Context: The U.S. oil and gas industry is already a major hydrogen producer and is well-positioned to lead the expansion of a low-carbon hydrogen sector in the U.S. While the previous Administration sidelined blue hydrogen, technology neutrality is the most efficient approach to drive down costs and increase U.S. competitiveness. Continued DOE support is essential to countering Chinese influence, developing new markets for U.S. natural gas, and positioning the U.S. as a leader in hydrogen exports. DOE should continue supporting initiatives such as the Regional Clean Hydrogen Hubs by directing the OCED to disperse funding to the awardees on schedule, and support initiatives for enabling early market adoption of hydrogen through OCED's Hydrogen Demand Initiative (H2DI).

Office of International Affairs

- **Energy Diplomacy**
  API Ask: Resume international energy diplomacy – including planned forums and strategic engagements – to support oil and gas investment, strengthen global energy partnerships and advance U.S. leadership.

  Context: DOE plays a key role in global energy discussions, collaborating with international partners to advance U.S. energy interests. Historically, DOE has been instrumental in establishing strategic alliances aimed at bolstering energy security on a global scale. The Office of International Affairs (IA) should return to working with international stakeholders to promote imports of U.S. energy, including investments in natural gas infrastructure that supports demand for U.S. LNG.