

## News : US can achieve 200 million mt/year LNG export capacity 'comfortably': Cheniere

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Published on - Tue, 06 Sep 2022 09:12:49 EST | Modified on - Tue, 06 Sep 2022 09:58:49 EST

- Capacity already set to reach 140 million mt/year
- **US LNG** developers agree major new deals in 2022
- **Mexico** could build some 50 million mt/year of **LNG** capacity

The **US** could build out its **LNG** production capacity to 200 million mt/year "comfortably" in the coming 5-10 years as projects continue to be developed, a senior official from **US LNG** pioneer **Cheniere** Energy said Sept. 6.

Speaking at the Gastech conference in Milan, **Cheniere** chief commercial officer Anatol Feygin said **US LNG** developers continued to sign sales and purchase agreements that would support new projects.

"**We** think the **US** can continue to grow from the current 95 million mt/year of capacity," Feygin said, adding that capacity would increase to 140 million mt/year including projects already under construction.

"And **we** think **we** can get to 200 million mt/year comfortably over the coming 5-10 years," he said.

The **US** has a vast upstream **gas** resource, which has contributed to the rapid build-out of **LNG** export capacity in recent years.

Feygin said some 38 million mt/year of new **US LNG** sale and purchase deals had been agreed so far in 2022. "**We** believe firmly that the **US LNG** industry will continue to deliver," he said.

The recent high **LNG** prices have also encouraged new investment in infrastructure, Feygin said. "I would be lying if I did not say the current market conditions are not a tailwind for long-term engagement," he said.

Spot **LNG** prices remain elevated given tight market conditions. The Platts benchmark JKM price for delivery into **northeast Asia** hit a record \$84.76/MMBtu in March, according to price assessments from S&P Global Commodity Insights.

The JKM was last assessed Sept. 6 at \$46.03/MMBtu, still up 130% year on year.

### Mexico capacity

Also speaking at Gastech, **Mexico Pacific** CEO **Douglas** Shanda said there was the potential for some 50 million mt/year of **LNG** export capacity to be built out on the west coast of **Mexico**.

**Mexico Pacific** is planning its own 14.1 million mt/year terminal at Puerto Libertad, **Mexico**, which was expected to start commercial operations in 2026.

"That is not where **we** are stopping. **We** are looking to double that because **we** see the demand growth is going to be there," Shanda said.

Shanda said new **LNG** export capacity was key to calming markets. "It is clear that what is going to stabilize the market will be the [commissioning] of new **LNG** production," he said.

"That is really the only way to get **us** back to where **we** are comfortable with energy security."

Shanda said **Mexico** had the advantage of government support for the build-out of pipeline infrastructure linking to the **US** which remains under-utilized.

**Mexico Pacific** signed a 2.6 million mt/year offtake deal in July with **Shell** as a foundation customer for the project.

Under the agreement, **Shell** is to purchase **LNG** from the terminal's first two trains on an FOB basis.

When fully operational, the **Mexico Pacific** facility will have three trains and a combined capacity of 14.1 million mt/year.

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