



Toby Rice: Our Role in the Massive, Unmet LNG Demand

By **Staff**

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*This article is adapted from an interview that energy expert Scott Tinker conducted with Toby Rice at RealClear's 2024 **Energy Future Forum**. Rice is President and Chief Executive Officer of EQT.*

Scott Tinker

There is a lot of public misunderstanding about energy density. For instance, many people don't realize that natural gas is much denser than liquids and solids by weight or by area. Why do you think there is such resistance to natural gas?

Toby Rice

Our biggest challenge is that the public is largely uneducated about energy, but that's also our biggest opportunity. The more people learn, the more they see that natural gas and fossil fuels are good for the planet.

We're seeing perceptions start to change. But it's confusing for people. Make no mistake about it: it's never been more difficult to produce energy than it is today. People in DC might say, "How hard can it be since we're producing record amounts of oil and gas?" But we need to ask ourselves: is what we're doing today in the U.S. enough? Rapid inflation, the war in Ukraine, and skyrocketing global emissions suggest it isn't. For the first time in 20 years, energy poverty has increased. That's a travesty. We need to shift the perception towards realistic, practical solutions that can make an impact. And the public is behind us. Recent polling shows that over 70% of Americans see natural gas as a critical energy resource and want more of it.

People know natural gas is decarbonizing, good for energy security, and good for affordable energy. With this momentum, we want to provide security to the world and address concerns over global emissions.

The path is simple: transition the world from coal to gas. That's your energy security and a way to lower global emissions. Then we can find ways to transform gas into lower-carbon energy solutions. We have tremendous technology and opportunities on that front. That's something everyone can believe in. As an industry, we just need to show people how this will deliver the benefits they want to see on the environmental and energy security fronts.

Scott Tinker

Has this resistance been primarily from Europe and the U.S., or is it a global phenomenon?

Toby Rice

The fact that environmentalists are now focusing on inhibiting LNG growth is a sign that LNG has been

...sign that LNG has been making too much sense. Fortunately, we're seeing bipartisan pushback against those efforts—on both sides of the aisle. Our leaders understand that natural gas is a decarbonizing force. And with the Ukraine situation, people understand that energy security matters. It's the biggest tool to provide energy security to the world.

From Europe, you see European Commission Executive Vice President Maros Sefcovic saying that America is the global guarantor of energy security. They are very upset with the U.S. pause on LNG exports. So, people are realizing that LNG is a necessary tool.

Scott Tinker

I had friends in Europe who were shocked by the U.S. pause. What's the real driver behind that? Is it purely political?

Toby Rice

Well, listen, I think regardless of which side you're on—whether you want to produce more energy to help human flourishing globally or promote zero-carbon energy solutions to help the climate—everyone wants to make the world a better place. But our leaders in DC don't fully grasp the ripple effects of their decisions. As business leaders, we need to be out front, letting them know the consequences of their policies.

Right now, with the approach we've taken towards energy, emissions are still skyrocketing, energy poverty is increasing, and we're heading in the opposite direction from what people would expect.

When a country determines its energy supply, it looks at three factors: affordability, reliability, and the carbon footprint. Affordability is still the key driver. Reliability is absolutely critical. We believe we can deliver natural gas to Europe at \$10 per unit, which is the energy equivalent of \$70 oil. You can build amazing economies on \$70 oil.

But the question is: how reliable is that supply going to be? That's why this LNG pause has been so destructive. When we talk to our international customers, we tell them they won't have to worry about a petro-dictator suddenly shutting off their energy supply. American LNG comes from thousands of providers, driven by market forces, not political forces.

Scott Tinker

Let's talk about the resource base a little bit. We're seeing some gas-only shale basins plateau, as well as some gas-with-oil basins. Is the resource secure?

Toby Rice

Natural gas demand has grown 50% since 2010. During that time, pipeline infrastructure has only grown 25%, and storage infrastructure just 12%. What does that mean? Because of the lack of pipeline infrastructure, you're going to continue seeing parts of the U.S. where natural gas is wildly expensive.

The fact that Boston pays \$30 for natural gas in the winter while I'm selling the same gas a couple hundred miles away in Pennsylvania for \$3 or \$4—that's self-induced. We can fix that.

Gas prices would be lower if we had adequate pipelines and storage infrastructure. We could provide stable, affordable energy. If we wanted to increase natural gas production in this country by 50%, we have the resources to do that.

Scott Tinker

For how long?

Toby Rice

We could sustain that 50% increase for over 30 years. We can only grow production to a level that leaves enough resources for over 30 years of supply. Whether we use that time for LNG or for more electrification and strengthening our domestic grid, that's the beauty of LNG—it offers versatility to address pressing issues over time.

If we learn one lesson from the Russia-Ukraine situation, it's that energy security matters. Without energy security, you will not transition—period. So, let's prioritize energy security and then build from there. We're not even really trying to drill for natural gas in this country. Out of the 600 rigs currently running and drilling for oil and gas, only 80 are drilling for gas.

We have such an abundance here that we really should be transitioning the world from a coal-based to a gas-based economy.

Scott Tinker

It's funny—15 years ago when shale started to take off, there was a lot of resistance to it. Documentary and drama films, some not very factual, contributed to that resistance. Matt Damon was in one, I think. And if you trace the dollars funding those films, they lead back to the Middle East and Russia. There are massive mature source rocks in Russia and the Middle East. They're holding off on releasing those onto global markets. But, to your point, there's a huge resource here domestically.

Toby Rice

It's interesting you mention misinformation about responsible energy development. Hydraulic fracturing was a very scary thing, and we were living that in Pennsylvania. *Gasland*, one of those movies, was set in northeastern Pennsylvania. We were ground zero in Appalachia, dealing with people's concerns about groundwater and hydraulic fracturing. But we addressed those concerns. In 2016, the EPA declared hydraulic fracturing safe. This industry will continue to address the world's environmental concerns. Meanwhile, Putin is making \$500 billion a year exporting energy.

One of the biggest challenges for LNG right now is communication. We have the facts on our side, a great story, and a lot to offer the world. But we're up against anti-fossil fuel groups spending \$1.5 billion a year. The good news is that these people want to make the world a better place. We just need to show them that oil and gas are the way to do that. We need to talk about how we're lifting entire societies, like Guyana, while preserving the environment.

Scott Tinker

In fact, my friend Robert Bryce recently quantified the budgets of the top 25 climate NGOs in this country. It was \$4.6 billion a year. A lot of that is an anti-fossil fuel message. It's a pro-climate message, but they've conflated how to really lower emissions. Is it down the solar and wind path, or is it through ever more dense hydrogen, methane, and nuclear energy?

Toby Rice

How are we going to make the world a better place? We need to provide energy security and lower global emissions. That's what the public wants. We have everything we need to make this happen: transitioning the world from coal to gas and transforming gas into a zero-carbon energy solution.

The bright minds that cracked the code on shale, making energy in the U.S. so affordable and reliable that people think we don't even need oil and gas companies anymore—those same minds are now thinking

..... are now thinking about how to make the energy we produce cleaner.

There are some amazing things coming from this industry. For gas producers, it's about eliminating methane emissions. We're going to knock methane emissions out of the park. Zero carbon with carbon capture will be a natural extension of this industry's skill set.

We're good at pulling things out of the ground, and we're going to be good at putting things back in, like CO₂. Every day we produce energy, we pull 13 million barrels of oil out of the ground, along with about 40 million barrels of water. That's creating space every single day for 40 million barrels of something else to go back in. That's a lot of CO₂. So, not only are we blessed with major energy resources, we're also blessed with major decarbonizing resources. And it's going to be us—our industry—that makes it happen. What you're seeing now is a desire from this industry to lead the energy transition on the world stage. We just need the ability to do our business and get more energy infrastructure built in this country.

Scott Tinker

What gives you hope for your children when you think of the future?

Toby Rice

Well, listen, we have the resources to achieve the ambitions that people have. All of our problems are largely self-inflicted. I'm excited about the fact that people are only going to get more educated about this subject.

I went to the UN COP conference last year, and I'll never forget one wall where they had listed all the issues plaguing the world—food security, clean water, women's rights, education—big stuff—and climate was on that board. I remember thinking, "My God, we've got to get this climate thing figured out because there are many other problems hurting people today that we can fix." So, I hope we can put these energy solutions on the playing field and focus on the bigger issues.

You can watch Rice and Tinker's full conversation, along with the rest of the 2024 Energy Future Forum, [here](#).



Toby Z. Rice is President and Chief Executive Officer of EQT, the largest natural gas producer in the United States.



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