

# U.S. DECLARATION OF ENERGY INDEPENDENCE

Reliance on imported fuels has shaped the American worldview for generations. But the nation now produces—and exports—more energy than ever before.

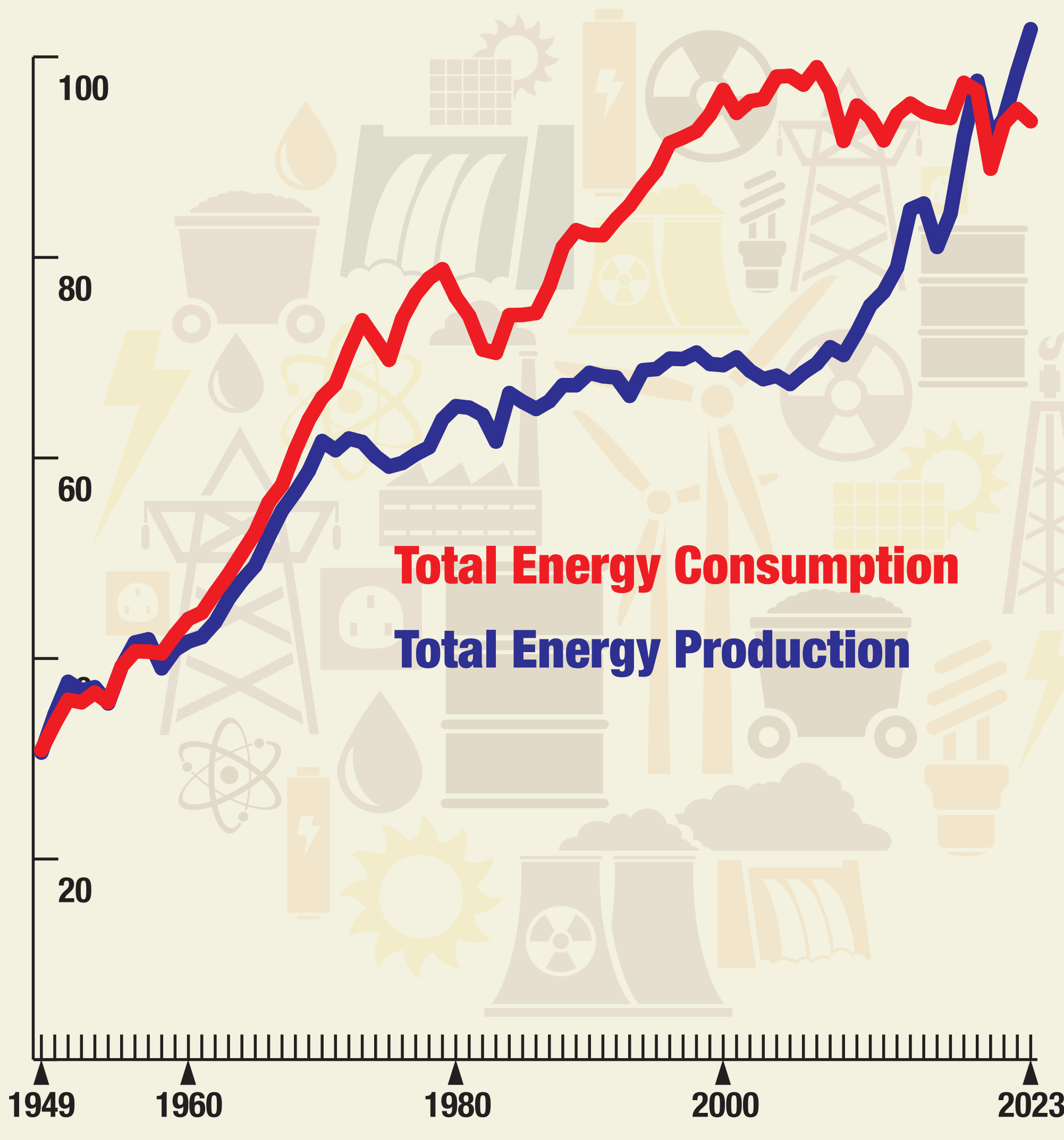
BY JEFFREY WINTERS

Americans old enough to remember the oil embargoes of the 1970s are still scarred by gasoline shortages and rationing. The available solutions at that time, such as lowering the thermostat on oil-fueled furnaces and throwing on a sweater, didn't meet the magnitude of the crisis, and measures such as improving automobile fuel economy would take a decade or more to have an effect. That's why even today, calls for American energy independence are strongly embraced by unhappy voters.

As it turns out, the United States is energy independent right now. And it's not due to some statistical fluke: The nation has been a net-exporter of energy, on the basis of energy content, since 2019 and the level is growing. For the first three months of 2024, net energy exports are on an annual pace of 9.3 quadrillion Btus, or more than net energy imports in 2017.

## TOTAL ENERGY PRODUCTION AND CONSUMPTION

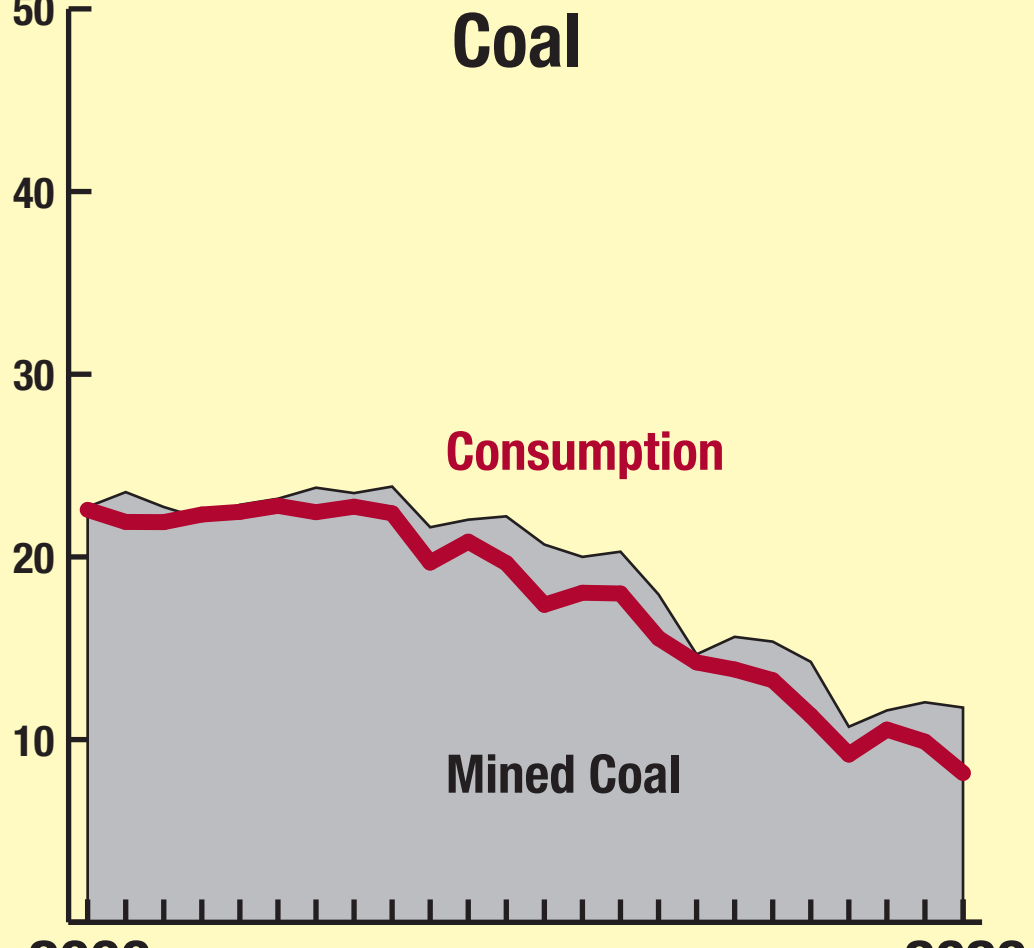
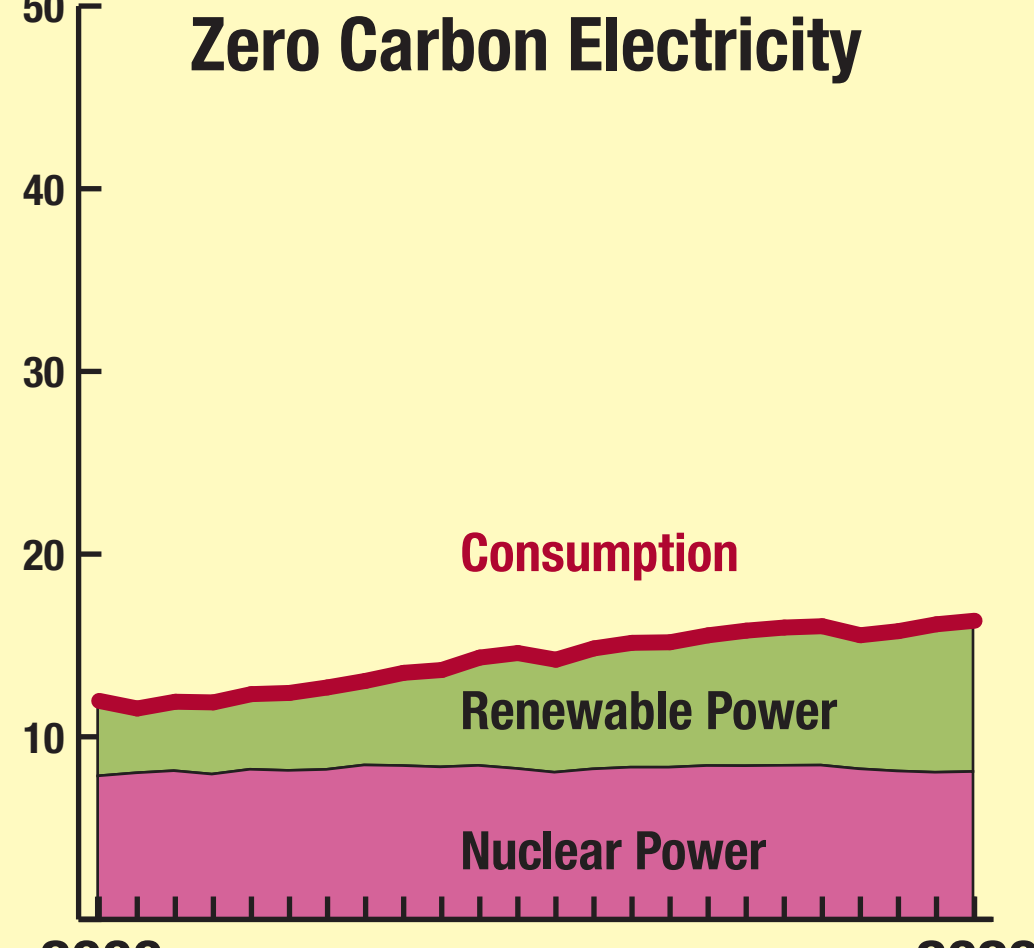
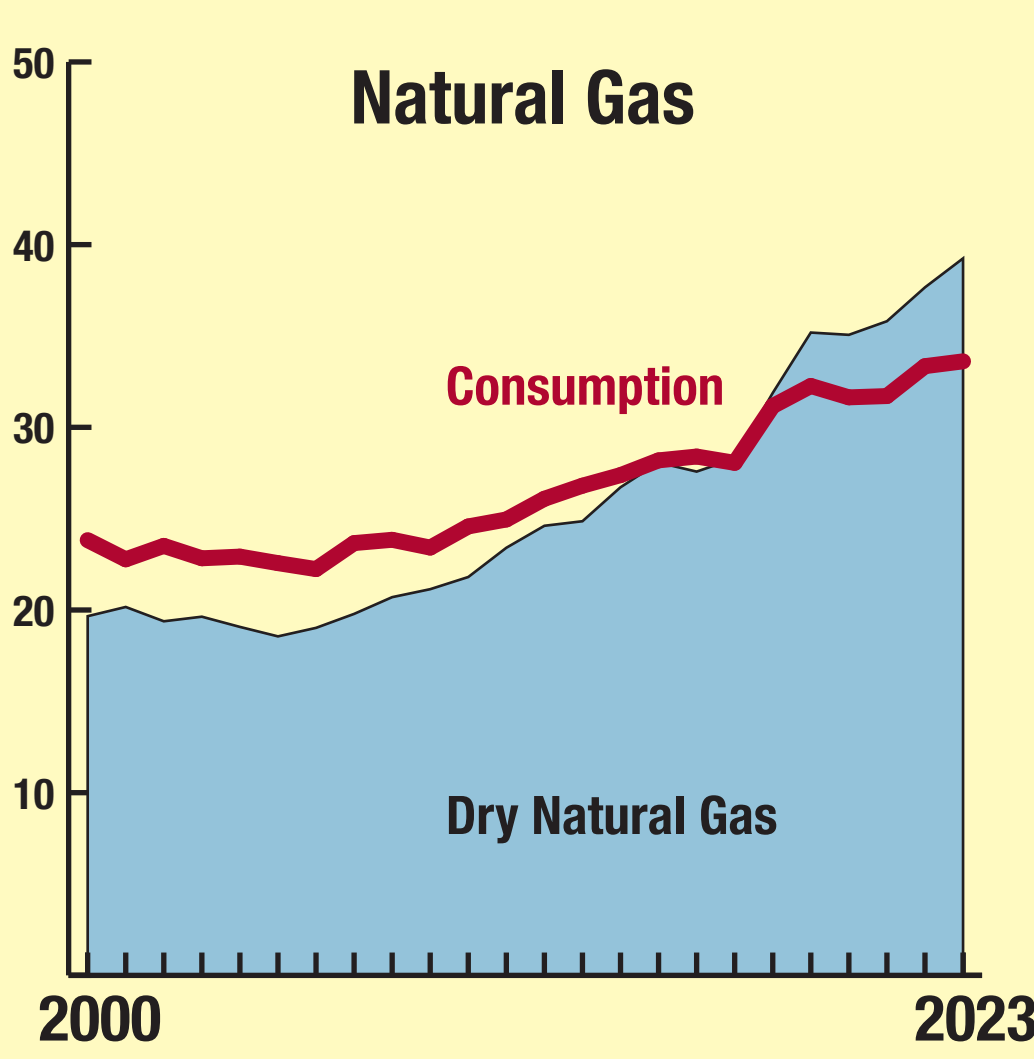
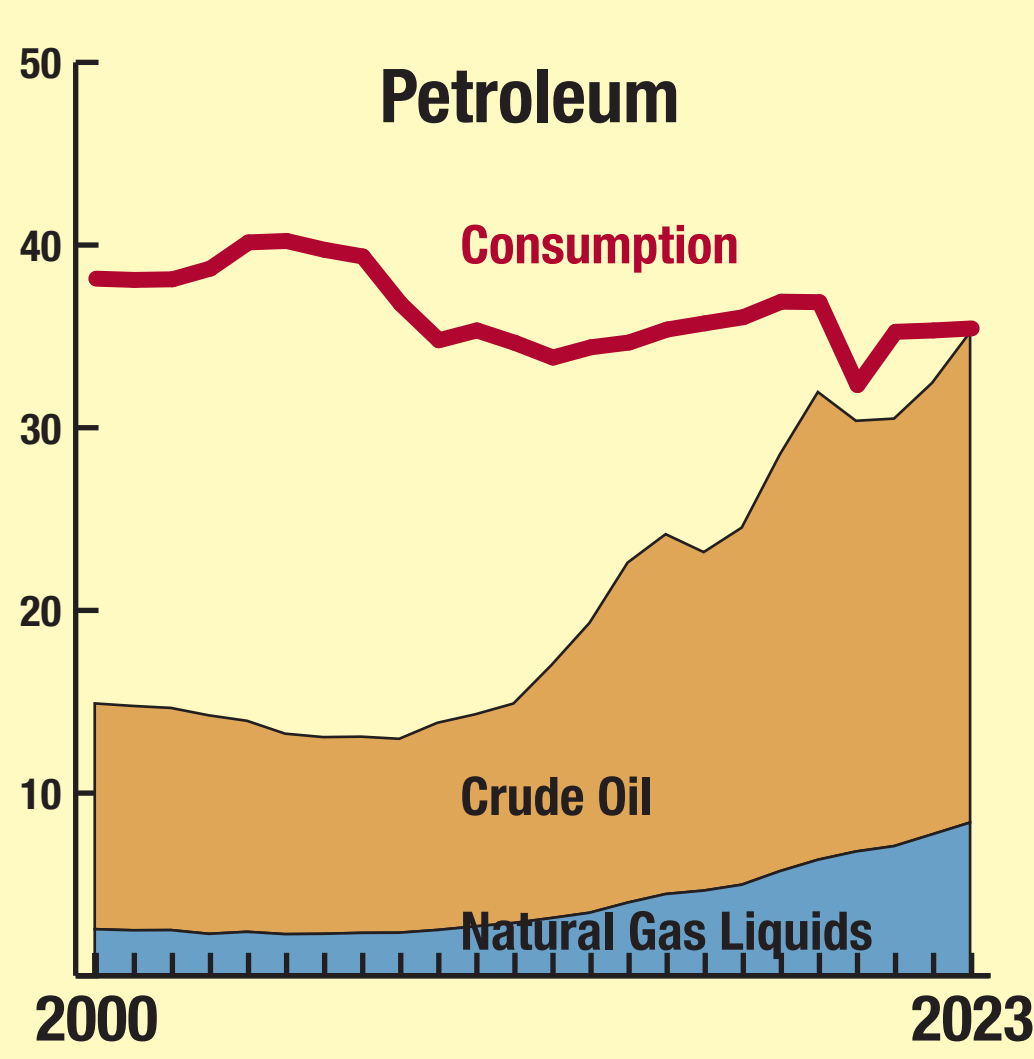
(QUADRILLION BTUS)



The U.S. has been a net importer of energy since the 1957, but the spread between consumption and production began widening considerably in 1970, when crude oil production in Texas hit a peak. Between 1970 and 2005, total energy production increased by only 14 percent (less than 0.5 percent per year) while energy consumption increased by 48 percent. The U.S. imported more than 45 percent of its total energy in 2005. Since then, the boom in oil and gas production in shale formations coupled with higher fuel economy in automobiles to erase the need for imported oil.

## ENERGY PRODUCTION AND CONSUMPTION BY SOURCE

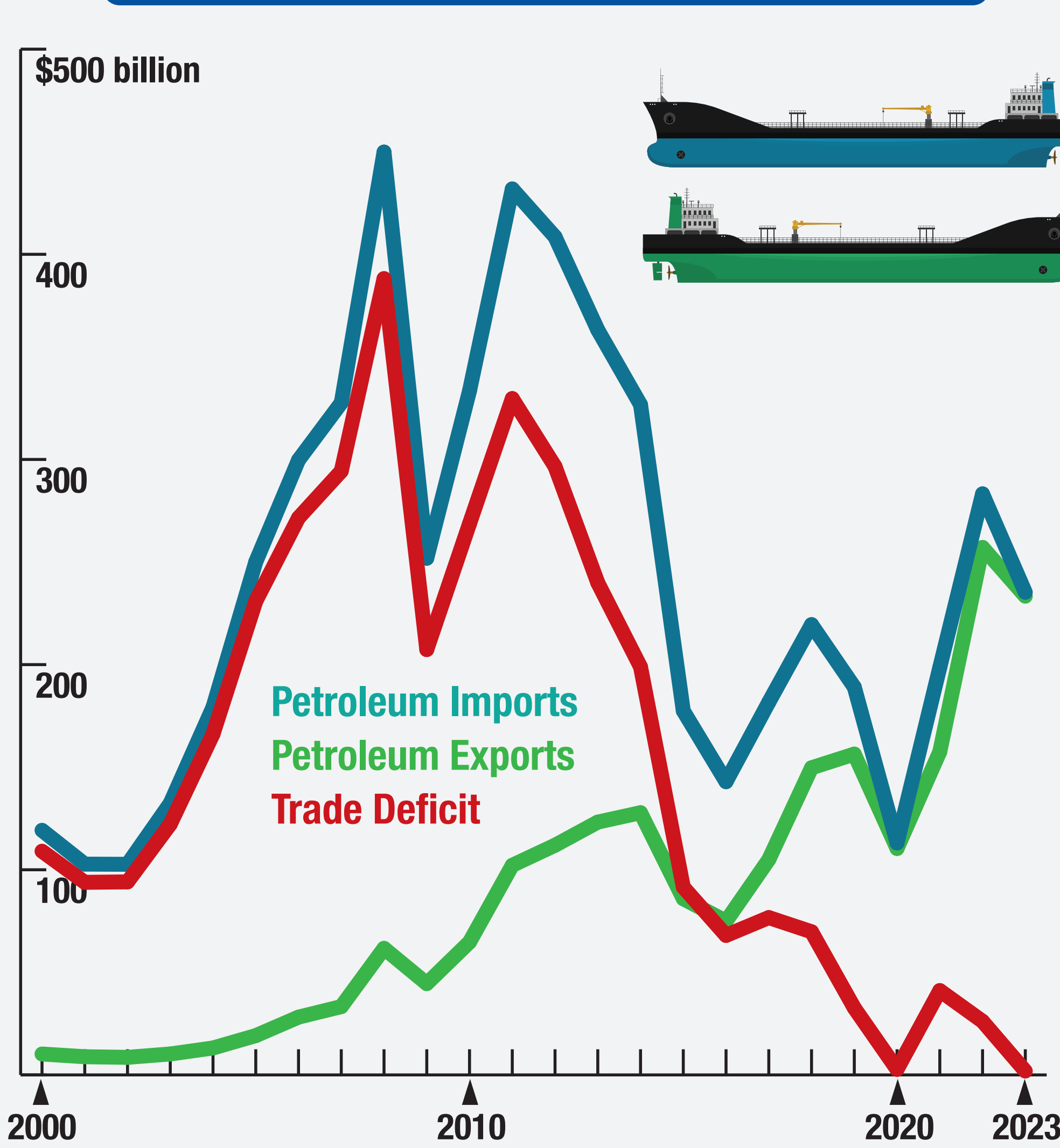
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Oil production is certainly a large part of the story, but natural gas has had a similar boom, more than doubling in production since 2005. Much of that newly developed gas has replaced coal for electric generation, but there's enough left over that gas exports have become significant, accounting for more than 10 percent of production. Renewable electricity isn't an export commodity, but it helps replace gas to leave more for the international market.

## PETROLEUM TRADE VALUE AND DEFICIT

(2000 - 2023)



For more than a decade, the U.S. has been a net exporter of finished petroleum goods, as its efficient refineries were able to make high-value gasoline and other products for Latin American, Caribbean, and European nations. But the value of imported crude oil had always been greater—often much greater. In December 2023, however, the situation flipped, and exports exceeded imports by some \$2.7 billion. If the trend for the first four months of 2024 holds, the U.S. will have a positive petroleum trade balance of more than \$15 billion, and a total energy trade balance of \$78 billion. The U.S. can declare energy independence.