

The Supply Curve for U.S. Shale Gas

Michael C. Lynch

The supply of LNG from the United States has become a major source of energy for a number of countries, including as alternative supplier for European nations whose access to Russian gas has been curtailed. Concerns that the resource base is not big enough to accommodate expected capacity growth, or at least without major increases in prices, have arisen in some quarters, along with calls to restrict new investment.

This paper analyzes the geological and economic data for the major sources of shale gas in the United States and constructs supply curves for the gas based on that data. The results suggest that the resource base is sufficient to continue providing needed supply without major long-term price increases.