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LNG: Senate appropriators give FERC thumbs-up on terminal siting record

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It's OK, FERC, the Senate Appropriations Committee has your back.

Buried in the report language of the \$30.7 billion fiscal 2007 energy and water spending bill that Senate appropriators passed yesterday is an endorsement of the Federal Energy Regulatory Commission's record in approving natural gas pipelines and liquefied natural gas (LNG) import terminals.

FERC has angered lawmakers from the East and West coasts for its willingness to approve LNG terminals over the objections of state and local officials. Massachusetts and Rhode Island earlier this year sought federal court review of the commission's approval of the Weaver's Cove liquefied natural gas import terminal in Massachusetts, the commission's first approval of a non-Gulf of Mexico LNG terminal.

Also up for consideration are LNG terminals in California, Long Island Sound and Gloucester County, N.J., the latter of which FERC staff recently recommended approval ([Greenwire](#), May 1).

And last month, FERC approved the onshore pipeline portion of the controversial Freeport-McMoRan Main Pass Energy Hub offshore liquefied natural gas project in the Gulf of Mexico. Louisiana Gov. Kathleen Blanco (D) vetoed the project two weeks before because it would use "open rack vaporizer" technology that requires daily use of hundreds of millions of gallons of seawater to convert super-chilled LNG into a saleable gas. The company has said it will re-engineer the project, 16 miles off the mouth of the Mississippi River, to make it more fish-friendly.

But Senate appropriators, led by Energy and Water Development Appropriations Subcommittee Chairman Pete Domenici (R-N.M.), have long supported FERC's LNG licensing efforts, going so far as to insert at the last minute in the 2004 appropriations bill a provision stating that the commission has pre-emptive authority to approve and site LNG facilities on-shore or in state waters. Last year's Energy Policy Act reaffirmed that authority.

"While the FERC is often criticized by individual members of Congress about specific local decisions it makes with respect to natural gas infrastructure, few express support for the overall success the commission has achieved in ensuring the timely development of these critical energy facilities," the committee report language says.

"We therefore want to state our support for the thoughtful and balanced manner in which the FERC has exercised its authority to approve natural gas pipelines and LNG terminals, and encourage all relevant federal and state permitting agencies to fully cooperate with the commission in reviewing proposed natural gas infrastructure projects."

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