



N A R U C

National Association of Regulatory Utility Commissioners

Background

State public utility commissions play a critical role in enabling the development of new and expanded LNG terminals and storage facilities. State public utility commissioners are in a unique position to educate both state officials and the public on issues associated with LNG. Established in 2003, the DOE/NARUC LNG Partnership was formed to assist in the education of critical energy decision-makers on the opportunities as well as the impediments related to the increased development of LNG resources. Interest in LNG continues to grow and the Partnership continues to work toward its goal of education and outreach to energy stakeholders.

For funding paperwork reasons, this project did not begin work until February 2007 with a projected continuation until September 2007. A project extension was provided to April 30, 2008 with a \$5000 cost reduction.

Project activities fell into three tasks:

Task 1: Conduct LNG Partnership Dialogue

NARUC organized a LNG Fire Safety workshop at the Sandia National Laboratories in Albuquerque, NM on March 21, 2007 for Commissioners and Commission Staff. Representatives from six states and federal agency members engaged in a dialogue with Tom Blanchat, a principal member of the Technical Staff in the Fire Science and Technology Department at Sandia. In addition, attendees participated in guided tour of the plant as well as observed a live fire demonstration.

In Summer 2007, NARUC planned two site visits: to Costa Azul in Baja California (Sempra LNG, co-hosted by the California PUC) and to St. Johns, New Brunswick, (Canaport LNG) to conduct dialogues. Sempra LNG visit was scheduled for September 18, subsequently cancelled due to conflicts for participants. St. Johns trip was deemed to be too expensive to accomplish with available funding.

In April 2008, four members of the LNG partnership attended the “LNG San Antonio” event. NARUC had arranged for a 25% discount for attendees with the organizers of this event and supported the travel of one of these members.

To satisfy our project objectives under this grant at no additional cost to DOE, on June 3 2008, 12 Commissioners from the Southeast went on a facility tour of Elba Island LNG Facility near Savannah, Georgia. Elba Island LNG Receiving Terminal, located near Savannah, Georgia, is one of four active LNG terminals in the United States. Commissioners were provided with “hands on” understanding of issues associated with LNG technologies.

Task 2: Distribute and Publish LNG Research

Copies of the document, “The Need for Effective and Forthright Communication Planning for LNG Facility Siting: A Checklist for State Public Utility Commissioners” were distributed to attendees of the LNG Fire Safety workshop in the Albuquerque, NM.

In April 2007, copies of the document, “The Need for Effective and Forthright Communication Planning for LNG Facility Siting: A Checklist for State Public Utility Commissioners” were distributed to NARUC members.

These documents were also distributed at meetings in New York, NY in July 2007, Anaheim, CA in November 2007, Washington DC in February 2008. A total of 450 copies have been disseminated during the course of this project.

Task 3: Expand Partnership Outreach

Copies of the NASFM document on fire safety were disseminated by email to NARUC members. Discussions held with NARUC Gas Committee members about a session in New York in July 2007.

Commissioner Robert Keating provided numerous presentations and interactions with the National Association of State Fire Marshalls (NASFM).

NARUC held 2 sessions with its Gas Committee and Critical Infrastructure Committee on LNG market and safety issues in New York on July 16, 2007. Tom Blanchat from Sandia National Labs and Christopher Freitas from DOE each provided presentations and conducted outreach to Commissioners and Staff from these Committees.

At the February 2008 Winter Meetings of NARUC, the LNG Partnership hosted a session titled “LNG: A REVIEW OF THE BASICS AND A DISCUSSION OF SAFETY AND RISK ANALYSIS AND THE IMPACTS FROM THE INTERNATIONAL SCENE.” This panel was designed to provide the audience with a succinct but solid overview of the LNG basics, followed by a discussion of the role of risk analysis as applied to LNG facility siting and conclude with a review of the status and role of the international LNG market on North America. This session included presentations from Bob Keating, Commissioner from Massachusetts; Mr. William Cooper, Executive Director, Center for LNG; and Dr. Phani Raj, President, Technology & Management Systems, Inc.

Dr. Raj was also the lead speaker on this issue on a call held on January 8, 2008. Over 50 State regulators from around the country participated in this call, and numerous requests were made for additional information that was presented at the DC session the following February.

One outcome of this outreach was the passing in February 2008 of a resolution titled “**Resolution Encouraging the Use of Risk Assessment Approach to Provide Comprehensive Information on LNG Facility Safety**”. This resolution recommends the Pipeline and Hazardous Materials Safety Administration (i) initiate steps to evaluate and develop alternatives and risk based regulations as replacements for or supplement to its existing LNG facility siting regulations and (ii) perform, as a part its evaluation, such research and other activities as may be needed.