

Kulongoski urges federal regulators to do new LNG study

An earlier similar request by Oregon's governor went unheeded

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Gov. Ted Kulongoski told federal energy regulators Friday that their final environmental review of a proposed liquefied natural gas terminal on the Columbia River was "fatally flawed and legally deficient" and ought to be withdrawn.

The Federal Energy Regulatory Commission issued its final environmental impact statement on the Bradwood Landing LNG terminal on June 6 and may vote as soon as next week to conditionally approve the project's license application.

In a letter sent Friday to FERC, Kulongoski urged the commissioners not to issue their decision on the project, to withdraw the agency's final environmental review and issue a revised review to be reopened to public comment.

Kulongoski said the overall level of detail in the final review was inadequate, and that much of it contained only general information about environmental effects. He also said FERC staff had not proposed enforceable conditions to address concerns raised by state natural resource agencies.

Kulongoski cited a litany of flaws with FERC's analysis, but it's unclear whether the agency will pay any heed. FERC ignored Kulongoski's request in May for a new environmental review.

The state does have the power to block the facility if its concerns go unmet at the federal level. Bradwood's backer, Houston-based NorthernStar Natural Gas Inc., needs state approvals, including permits under the Clean Air, Clean Water and Coastal Zone Management acts. Kulongoski told FERC Friday that "The state believes strongly that FERC may not issue any license until those approvals have been obtained."

NorthernStar wrote Kulongoski on Friday that it remains committed to work in good faith with Oregon's resource agencies. "We have consistently said that we will comply with all applicable local, state and federal standards for our project," wrote CEO William "Si" Garrett.

The state Department of Energy issued a report in May that concluded that although Oregon's need for natural gas would likely increase, it could meet that

need more cheaply and with less pollution and environmental damage by importing gas from Canada and Wyoming rather than building an LNG terminal.

Kulongoski's submission to FERC on Friday included a letter from Department of Energy Director Mike Graineey outlining new discussion and data.

"I would not change any of the three conclusions in our report," Graineey said. "If anything, our report may have underestimated the amount of Canadian natural gas" that could serve Oregon and the West Coast.