

# Malibu's coast gets 2nd LNG terminal proposal

**Another Australian firm wants access to the lucrative California natural gas market through local waters.**

**By Hans Laetz / Special to The Malibu Times**

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A spot midway between Point Dume and Catalina Island has been selected by an Australian petroleum company to host this coast's second proposed offshore liquefied natural gas terminal. A subsidiary of Woodside Petroleum wants to unload natural gas for sale to the California market about 25 miles from the site where BHP Billiton plans to station its LNG terminal.

An official with Woodside's new natural gas subsidiary said their project, dubbed "OceanWay," will be barely visible from Malibu because it will be 22 miles from Point Dume, and will not use a permanent factory ship to unload the gas, as will the Billiton proposal called Cabrillo Port.

"It is important to note that our proposal will not require the construction of a large receiving station either onshore or at sea," said Woodside Natural Gas President Jean Cutler at a Wednesday news conference.

Billiton has raised objections along the coast with its plans to anchor a permanent, 14-story-high floating regasification and storage unit, or FSRU, 13.8 miles off the Malibu coast. The FSRU's trio of round 55-million gallon tanks would be visible on clear days from the Pepperdine University campus west to Port Hueneme, according to an analysis released this week.

Woodside would avoid the need for an FSRU by placing regasification boilers on all of the LNG tankers that it would build to ferry gas from Australia and Asia to the California market, Cutler said.

Coastal advocates said they were happy to see an LNG terminal proposal surface without an FSRU. But others noted that Woodside's shipboard LNG boilers would emit exactly as much smog as the Billiton factory ship.

Cutler said the Woodside project would abide by South Coast Air Quality Management District smog regulations, which could require the company to purchase and retire 1.5 tons of existing smog emissions for every ton of smog generated by the offshore LNG ships.

"We think we can meet the South Coast AQMD standards and regulations," Cutler told The Malibu Times, "but we still have our engineers doing a lot of work on this project."

Billiton, which will compete with Woodside by building its \$600 million FSRU for the Malibu coast, does not have to meet that expensive pollution offset cost. The federal government has changed its position and says Cabrillo Port can use what opponents

call a loophole in Ventura County smog rules, which do not have any provisions for a factory ship stationed off the coast.

Cutler said the Santa Monica Bay location was chosen on three criteria: environmental friendliness, distance from residential neighborhoods and sufficient distance from maritime shipping lanes and marine preserves.

Cutler said the only visual impact from the Woodside project would be the anchored LNG tankers themselves, sitting far off in the ocean and not visible most days. When not in use, the buoy the ship would use to transfer the gas to pipelines would sit more than 100 feet underwater.

Gas from the ships will come ashore from a pipeline buried in the beach near Los Angeles International Airport, where it will connect with the nation's gas pipeline network. Once operational, the Woodside terminal could supply 10 percent to 15 percent of the state's needs. The conversion of LNG to natural gas is already being done elsewhere, Cutler said. One objection to the Billiton FSRU concept is that the transfer of subzero methane from one ship to another has never been attempted except in wave-free harbors. Woodside's plan will avoid that, and will unload natural gas using a proven and safe technology, Cutler said. Two other LNG terminals are proposed for Southern California: one near Oxnard has yet to apply for permits, and one planned for City of Long Beach property is encountering opposition from all four mayoral candidates in this year's elections.

Construction is now 30 percent complete on Sempra Energy's LNG project near Ensenada, which may be expanded to nearly three times the size of Billiton's proposal. Some analysts say the Baja California terminal and pipeline may supply all the LNG the West Coast needs, making construction of the Malibu-area terminals less likely.