

# BHP faces delay in bid for US LNG terminal

*Nigel Wilson*

*Energy Writer*

November 06, 2006

**FURTHER delays are likely in the approvals process for BHP Billiton's planned California LNG receival terminal at Cabrillo Port following a reference to the Californian Coastal Commission.**

The concept, announced in August 2003, was originally scheduled to begin construction in 2008 and be in production during 2009, ultimately drawing gas from the Scarborough reservoir deep in the Indian Ocean north west of Onslow.

The plan has attracted intense opposition in California, with celebrities such as Halle Berry, Cindy Crawford and Dick Van Dyke joining in a day of action last month on Malibu Pier.

Latest opposition refers to aircraft carrier-sized ships up to 14-storeys high being park offshore leading to the potential for explosions.

BHP Billiton has been saying recently it expected a decision on the plan from California governor Arnold Schwarzenegger in the first quarter next year.

This would allow for assessments of public submissions on the project's planned water use and its impact on air quality.

These submission will be included in a joint environmental impact statement and environmental impact report by Californian's State Lands Commission and the US Coast Guard.

But it is understood Governor Schwarzenegger has now decided the joint report will be sent for review to the California Coastal Commission which is responsible for the protection, conservation, restoration, and enhancement of "environmental and human-based resources of the California coast and ocean for environmentally sustainable and prudent use".

Prime Minister John Howard has personally lobbied Mr Schwarzenegger on supplying Australian LNG to the US West Coast and in June 2004 met the governor in Los Angeles in company with BHP Billiton chairman, Don Argus.

The Australian Government believes North America could be importing between 10 million and 14 million tonnes of Australian LNG a year by 2015.

The California Coastal Commission's website says it expects to be begin reviewing certification of Cabrillo Port in January.

BHP Billiton plans to construct and operated a floating storage and LNG regasification unit (FSRU) about 22km offshore of Ventura and Los Angeles counties connected by two 21-mile long 24-inch

diameter natural gas pipelines in a development estimated to cost \$US600 million (\$779 million).

BHP Billiton's plan calls for the FSRU to receive two to three LNG tanker shipments a week and deliver about 800 million cubic feet of natural gas a day to shore.

The Coastal Commission has not indicated how long it would take to assess certification but California sources told The Australian the commission had the power to review every aspect of BHP Billiton's plans, not just those involving the cross over point for the supply pipelines.

[▶ Print Friendly Version](#) [▶ Email this story](#)

[Privacy Terms](#) © The Australian

## In this section

[BHP faces delay in bid for US LNG terminal](#)

[Online advertising spend closing in on \\$1bn](#)

[Tower shareholders approve \\$1bn demerger](#)

[News Corp rolls out MySpace in Japan](#)

[Chiquita bends to Tradefresh takeover](#)

[ANZ's \\$324m Asian venture](#)

[Rebel Sport in trading halt after 'proposal'](#)

[Westpac chief rattles four pillars](#)

[Resource taxes drag on investment](#)

[Rates to keep the markets nervous](#)

[Cycle at its peak: Morgan](#)

[Lease sale makes PN easier to shunt](#)

---