

## Cabrillo Port Could Be Largest South-Central Coast Air Polluter

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The BHP Billiton proposal to anchor a floating energy terminal that would be a major new source of smog just off the Malibu coast may be cast in a bad light by a competing proposal from another company to build an air pollution-free liquefied natural gas terminal off Oxnard.

Coastal advocates are concerned that BHP Billiton's "Cabrillo Port" might get a green light from the state even though it proposes to emit more smog than other plans, because California law does not compare the five competing LNG proposals floated by various foreign and domestic companies.

"Every different applicant is coming up with a dramatically different technology, and we have no way of knowing which one is the best, and can't make a decision on the comparative merits," said Susan Jordan, executive director of the California Coastal Protection Network.

In Houston, BHPB spokesman Patrick Cassidy said he had not seen the other company's application. "It would be inappropriate for me to comment on the merits of a competitor's application, which hasn't even been filed yet."

If built, Cabrillo Port would be the largest single source of air pollution on the coast between Los Angeles and San Francisco, coastal advocates said. It would receive LNG tankers from Asia and Australia, and would have the capacity to increase the west coast's potential natural gas supply by about 15 percent.

The U.S. Environmental Protection Agency is accepting public comment on BHP Billiton's proposal until Aug. 3, but is only considering BHP Billiton's planned technology, which may be much dirtier than others.

Although the EPA hearing is still open, public comment has closed for the overall environmental permit sought by BHPB from federal agencies and the California State Lands Commission. Hearings on dozens of issues raised earlier this year in Malibu are expected in late September.

Cabrillo Port would use a series of boilers to heat LNG, raising its temperature from 260 degrees below zero up to room temperature, so it can be sold as natural gas for electricity generation, home heating and industrial uses.

The BHP Billiton application only mentions one other technology that might be used to regasify LNG: a method using seawater that dramatically reduces the water's temperature and kills fish.

Further up the coast, NorthernStar Natural Gas is in the final stages of filing applications to convert an unused oil platform near Oxnard to serve as a competing LNG unloading and regasification plant. Unlike Cabrillo Port, however, this project would not use large storage tanks, and would not burn fuel to convert the LNG to natural gas.

"We are looking to use an open-air system, much like a radiator," said NorthernStar vice

president Billy Owens. "It would use a fluid to run next to the LNG and absorb the coldness, then we would run that fluid through a heat exchanger that would absorb warmth from the open air.

"In effect, we will be defrosting the LNG using the ambient air," he said.

Water vapor in the marine air will eventually freeze up in the metal condensers, Owens said, but computers will let the frozen sections thaw by cycling the cold liquid to spare radiators.

The only byproduct envisioned by NorthernStar is "pure distilled water that would be removed from the humid sea air," Owens said. The claim would be subject to environmental review.

This issue could become significant to coastal advocates as the Environmental Protection Agency takes public comments on BHP Billiton's request to emit at least 261 tons annually of sulfur oxides, nitrous oxides and petrochemicals into the air at Cabrillo Port, 13.8 miles off Malibu's northern end. The public comment window ends Aug. 3, and if approved, Cabrillo Port would become the largest air pollution source in Ventura County, with a dispersion pattern that would blow over Malibu most days.

Neither the BHPB Cabrillo Port application, nor the 2,500-page Environmental Impact Report, mention the ambient air regasification system proposed by NorthernStar.

Owens said he could not comment on a competing company's technology, but said the ambient air regasification system is not new technology, and would not be too large to place on either an oil platform or BHPB's proposed ship.

BHP Billiton's spokesman said he is not familiar with ambient air regasification technology. "There are a lot of ideas out there, but we are the project that has undergone the most scrutiny and the complete environmental impact report has looked at and evaluated everything," Cassidy said.

But Cassidy said he could not comment on why the environmental report does not consider the alternative of smog-less regasification using ambient air.

"I can't answer that question," he said. "I'm not familiar with this ambient air process."

In Santa Barbara, Jordan pointed at that statement as proof that the BHP Billiton proposal is incomplete.

"The Billiton application and the environmental review have made many claims that are not correct and do not stand up under analysis," she said. Her effort has received \$50,000 from the City of Malibu, and may get as much as \$250,000 to analyze Cabrillo Port from Malibu residents.

"NorthernStar may be putting in a different technology that could carry a smaller footprint and emit less pollution, but we have no way to compare that, and even if we did, no way to judge the relative merits of these proposals against each other."

Coastal advocates have noted that five LNG terminals, all using different technologies and sites, are in the application process for the southern California coast. Senate Bill 426, a proposed state law that would require LNG terminals to meet a state needs test and be licensed comparatively, passed the California Senate last year, but will be decided by the Assembly and governor in 2007.

Jordan said BHP Billiton may have ignored the ambient air technology because it might be too expensive. “The company is driven by the profit motive, and while there’s nothing wrong with that, the state of California has to decide what’s best for the people.”