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Governor wants LNG site off Oxnard

Opponents of terminal call Schwarzenegger's comments ill-timed

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Gov. Arnold Schwarzenegger wants California to have a liquefied natural gas terminal and he prefers it be off the coast of Oxnard.

Energy companies have submitted four separate proposals for LNG terminals on or off the California coast. Although the state is studying all of them, Schwarzenegger said after a speech in Alhambra on Thursday, "my personal preference is Oxnard."

A proposal to build a floating terminal off the Oxnard coast has been submitted by the Australian energy firm BHP Billiton. The Coast Guard is conducting an environmental review, with safety one of the major issues being studied since an accident could create a large, explosive cloud of natural gas.

"I think the key is public safety," Schwarzenegger said. "Oxnard, where you build it out approximately 11 or 12 miles off the shore, would probably be the safest one for California."

Environmental activists, who are supporting a bill in the Legislature that would require the state Energy Commission to assess the proposals, said Schwarzenegger's comments were ill-timed.

"What can I say?" asked Susan Jordan of the California Coastal Protection Network. "Why bother to do environmental review when we can just use Arnold's crystal ball?"

Jordan noted the federal government suspended the environmental review process for the BHP Billiton project after groups in California complained that the analysis was based on flawed and incomplete data.

"You don't want to give something the seal of approval until you allow the environmental review to run its course," she said. "I don't think it's appropriate for a person in the governor's position to be expressing a personal preference."

Oxnard community activist Shirley Godwin, chairwoman of a south Oxnard civic organization called the Saviers Road Design Team, said Schwarzenegger "certainly doesn't have all the information." She cited recent data from the U.S. Geological Survey that raise questions about potential earthquake activity beneath the proposed offshore site.

"That's a major thing that I'm sure he hasn't seen," Godwin said

Under federal law, the governor of a state that is connected by pipeline to offshore energy facilities has final say whether a permit should be granted. Under the proposed Comprehensive Energy Bill expected to pass Congress soon, exclusive permitting authority for onshore LNG sites would be given to the Federal Energy Regulatory Commission. It would not change the process for reviewing offshore facilities.

Oxnard Mayor Tom Holden said that to date local communities have been locked out of the process and have been unable to formally comment on the various LNG proposals.

"If the governor feels strongly, I would hope he would want to sit down and hear what we have to say," Holden said. "We do have concerns. Our residents are obviously concerned about safety. ... We don't want to take on liabilities without discussions of risks and benefits."

Malibu Mayor Andy Stern, whose city is about the same distance from the proposed facility as Oxnard, said he was "shocked" at the governor's comments. "If he's made up his mind, why are we going through this process?"

Noting that Schwarzenegger met a year ago in Los Angeles with Australian Prime Minister John Howard and BHP Billiton Chairman Don Argus to discuss the LNG proposal, Stern said the governor also should give local government officials in California an opportunity to make their case.

"I challenge him to give Malibu and Oxnard equal time," Stern said.

In addition to the governor's private meeting with Howard and Argus, four top Schwarzenegger administration officials traveled in July to Australia, where they toured natural gas facilities and were briefed on the project by BHP Billiton officials.

Their expenses, estimated at \$7,000 to \$8,000 apiece, were paid by a San Francisco-based foundation whose board is made up largely of energy industry officials. Among those on the trip was Joe Desmond, recently appointed by Schwarzenegger as chairman of the state Energy Commission -- the California post that is equivalent to an energy czar.

After stating his personal preference for the Oxnard proposal, Schwarzenegger said the official decision-making process should wait. "After we study all this and see the pros and cons, I think we will be able to make a better decision," he said. "We are looking at all the various ideas to see which one would be the best, the safest, the most cost-efficient and all those kinds of things."

Among the other proposals is one by Crystal Energy Co. to convert an oil platform offshore of Ventura County for use as an LNG tanker terminal.

Schwarzenegger made clear that he believes an LNG terminal is necessary somewhere in the state.

Even with energy conservation, he said, "I think we still need LNG as time goes on, because we're really running short of fuel for these power plants."

Most electricity-generating plants in California are powered by natural gas.

The only existing source for natural gas is through pipelines from the Rocky Mountain and Southwestern states. An LNG terminal would make it possible for foreign natural gas to be imported.

An LNG advocacy group, Californians for Clean, Affordable, Safe Energy, applauded Schwarzenegger's remarks.

"California desperately needs to augment its access to natural gas, and liquefied natural gas provides the best avenue to do so," said Dorothy Rothrock, the group's chairwoman.

A bill in the Legislature, SB426 by Sen. Joe Simitian, D-Palo Alto, would require the Energy Commission to review and rank the LNG proposals for California. It has passed the Senate and will be heard Monday by the Assembly Energy Committee.

Simitian on Thursday declined to directly respond to the Schwarzenegger's remarks, but said, "We'd be better

served if we waited until we have all the facts in front of us. These are choices with enormous economic, environmental and security consequences to California."

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