

Liquefied Natural Gas Needs Guidelines

By Imani Kazana
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As most citizens in Hyattsville know, during 2005 and 2006 every County zoning body (including the District Council a/k/a County Council) ruled against the proposal put forth by Washington Gas Co. to construct an LNG processing and storage facility on Chillum Road. The powerful utility company, however, has not yet abandoned its efforts and has filed appeals in the Circuit Court system which are still pending. They are hopeful of somehow finding a sympathetic judge to rule that there may have been some flaw in the adoption of the zoning amendment for the area surrounding the West Hyattsville Metro station. The zoning specifically prohibits the storage of hazardous materials. These legal challenges could continue for several more years.

Notwithstanding the successful community efforts to date to stop this dangerous project from being built, several community groups, towns and others have expressed concern that Washington Gas may identify yet another inappropriate site within the County in the future. Since there are no County evaluation standards for siting LNG facilities, and standards at the State level are inadequate, other residential areas are vulnerable. Concerned citizens believe that more legal tools are needed to better protect residential areas, metro stops and other sensitive places throughout the County.

In response to these concerns, State Delegate Jolene Ivey, recently introduced a bill (PG-423) which seeks to provide the State's Public Service Commission (PSC) new rules for their handling of future proposals to build intrastate LNG facilities within Prince George's County. If passed, the PSC would require applicants to comply with standards used by the U.S. Dept. of Housing and Urban Development (HUD), which routinely determine safe distances between hazardous materials and housing, nursing homes, and other places where people congregate. The PSC would also insure that a new facility would be consistent with local zoning.

Delegate Ivey recently expressed her concerns. "While the Chillum community continues to fight the siting of Washington Gas' proposed liquefied natural gas facility, it would be great to have new standards in force to end this battle once and for all. This bill would give the authority to the Public Service Commission to use standards in Prince George's County for LNG facility siting that would make the Chillum location unacceptable. We're not trying to block such a facility from being built in Prince George's County at all, but rather someplace that would be safely away from residences."

A recent opinion by the State's Attorney General has confirmed that these new requirements would in no way be in conflict with federal rules for intrastate facilities. The Bill has also received support by Councilman William Campos,

Mayors of Brentwood and Mt. Rainier and the members of the County Matters sub-committee, which is chaired by Delegate Justin Ross. Furthermore, the newly appointed State Senator for the 47th District, David Harrington, has co-filed the bill on the Senate side.

However, not surprisingly, lobbyists for the Washington Gas Company have begun circulating a leaflet which alleges that passage of the bill would cause a significant increase in gas charges for consumers in six counties including Prince George's. The other counties mentioned are: Montgomery, Frederick, Charles, St. Mary's and Calvert. The Gas Company's strategy is to convince legislators from other counties to vote against the measure.

The irony is that the literature is virtually the same **alarmist, false and misleading** used to kill legislative efforts in 2006. The challenge is how best to educate legislators so they will disregard this scary and erroneous propaganda.

According to the Washington Gas Watch Alliance, the real facts are:

I. *This bill is not just about Chillum Road.*

Delegate Ivey's current bill is aimed at protecting every neighborhood within the County.

II. *Chillum Road is not the only place an LNG plant can be built.*

The Gas Company could acquire 25-40 acres in another location and build a plant and related pipes to connect with the existing distribution system.

III. *The Cost to Build Elsewhere is Unknown.*

It is impossible for Washington Gas to determine the cost of any LNG facility until an actual location has been identified. No one can pre-determine how much new land will cost, or where it will be located (a factor when calculating the number of miles for new pipelines needed to connect the new site with the existing distribution system).

IV. *The scary cost they present includes components which should not be added. These expenditures have no relationship to Delegate Ivey's legislation.*

Washington Gas mentions only one alternative option in their handout, i.e. construct new pipelines and store gas in traditional tanks or purchase extra gas from other companies whenever there are extremely cold periods. They've identified a cost of \$686 million over 20 years.

As before, this huge figure is not broken down into its critical components, some of which should not be included. Some costs are related to existing system problems, and some are related to regional growth & projected new customers. None of the numbers have been reviewed or verified by the Public Service Commission.

Washington Gas has again failed to explain that they need to install new pipelines from southern Maryland to the northern end of Prince George's County whether or not they build an LNG plant. This is because of poor pressure.

As of two years ago, the cost to build new pipelines was only \$2 million per mile. They could also install low cost compression stations to boost pressure.

It is our understanding that the Gas Company has already been making improvements in its system to remedy pressure problems. We do not know just how they are making these improvements, however.

Obviously what the costs will be to purchase emergency gas over twenty years is impossible to determine. This number would depend upon national and international demand, as well as changing weather patterns.

V. Washington Gas' system growth does not pay for its own growth, consumers do.

Existing customers are always made to subsidize the capacity expansion that Washington Gas wants, of which LNG storage is a component, when the expansion is really intended to serve its new customers. Other utilities charge a system development fee (e.g. WSSC front foot benefit charge) for new customers. However, Washington Gas simply assigns the cost to existing customers, and uses scare tactics to gain public acceptance.

VI. There is no scrutiny of the Gas Company's claims.

Unfortunately no one can properly evaluate the financial claims they make or what will be truly needed. Their internal 5 year plan projections are confidential and not subject to public review and scrutiny. They don't share this information with any independent committee or board, nor do they work cooperatively with County planners. No public agency reviews alternatives, or the the financial impact of each possibility.

Once again citizens of this County must take the time to contact the legislators within Prince George's County, and in each of the counties targeted in the misleading Washington Gas literature: Montgomery, Frederick, Charles, St. Mary's and Calvert. Elected officials need to be challenged to question and reject

alarmist and misleading literature being circulated by Washington Gas lobbyists, and urged to actively support the LNG legislation. If we do not take an action at this time, the efforts of Delegate Ivey and Senator Harrington on behalf of the citizens and neighborhoods of Prince George's County will fail. The Washington Gas Watch Alliance is urging all citizens to get involved.

Members of the Alliance can be reached at either 301-779-6948 or 301-779-1426. E-mails can be directed to imanikazana@msn.com.