LNG

State Issues
Rhode Island and LNG

- KeySpan LNG
  - Providence, RI

- Weaver’s Cove LNG
  - Fall River, MA
KeySpan LNG

- Located at an Existing LNG facility
- In Operation for almost 35 years
- Only LNG facility in state
- Currently a storage facility
- Used for “Peak Shaving”
KeySpan LNG Facility

Upper Narragansett Bay
KeySpan LNG Proposal

• Modify an existing LNG facility
  – From Peak Shaving Use To Base Load

• Modify delivery method
  – From Truck-fed To Ship-fed

• Convert from a Peaking facility (Truck-fed) to a Base Load (Ship-fed) facility
  – Through-put = one (1) ship per week

• Proposed Work Considered Maintenance
Regulatory Response

• Berthing in Federal Channel not preferred
  – 2003: ACOE Completed $54 million maintenance dredging project of Providence River/Harbor

• Significant Dredging and Disposal needed but not addressed
  – Preferred Berth: adjacent to Facility
  – Approximately One (1) million cubic yards
Federal Navigation Project

KeySpan LNG Proposal

CAD Cells

Federal Navigation Project
Regulatory Response (con’t)

• Thermal Exclusion Zone extends to
  – Three Hospitals
    • One of which is state trauma center
  – Largest Sewage Treatment facility in state
  – Oil Terminals
  – Hurricane Barrier
  – Major Transportation Corridors
  – Highly populated residential areas
    • State Capitol
Regulatory Response (con’t)

• Original Facility Design does not meet the Standards Required for Current LNG Facility
  – Built on Filled Lands
  – No pilings sub grade
  – No Facility design plans that address Earthquakes
  – Issue of Liquefaction during a Seismic Event
  – Design Life of 25 years has been exceeded
FERC Decision & Timeline

• Not a Modification/Maintenance Project
  – Therefore, Must meet current safety standards

• Application Denied

• KeySpan Disagreed, and is Appealing Decision

• FERC Granted Indefinite Continuance to Appeal Notice
Regulatory Issues

• No Regional Alternative Siting Analysis
  – Although regional need is acknowledged

• Canadian Plants’ throughput will exceed Algonquin Pipeline capacity when on-line
  – Current Infrastructure Not Capable of Handling Additional Gas
  – FERC does not Require Significant Upgrades to Infrastructure
Regulatory Issues (con’t)

• Proposed Off-Loading Facilities Located on State Property (submerged lands)
  – Therefore separate CRMC (state) permit required

• KeySpan Challenged RI CRMC position

• Because of FERC’s Decision to allow a Continuance, Federal Court Decision on State Permit Requirement put in Abeyance
What Should We Do?

• Push FERC to be more Pro-Active
  – Analyze Capacity of System v. Point of Entry load
    • Require Infrastructure Upgrades if Necessary
  – Regional Siting Capacity
    • Enlist CZM as Cooperating Agency
  – Seems Process is entirely Market-Driven

• FERC should establish Performance Standards