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# California State Senate



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### SENATE APPROVES STATE REVIEW AND APPROVAL FOR LNG FACILITIES

**SACRAMENTO** – State Senator Joe Simitian (D-Palo Alto) announced today that his SB 412, which establishes a review and approval process for pending liquefied natural gas (LNG) proposals along the California coast, passed the California State Senate on a 22-12 vote. The bill now moves to the Assembly for a hearing in June or July.

“LNG may well be a part of California’s energy future, but LNG development needs to be done in a way that protects California’s environment, public health and national security operations along our coast,” Simitian said. “I also think we need to be concerned about the potential for market manipulation, which was so disastrous in the energy crisis of 2001.”

The bill requires the California Energy Commission (CEC) to conduct a needs assessment of the state’s energy market by projecting future energy supply and demand. CEC will focus on projected demand while analyzing conservation, climate change impacts and efficiency potential, as well as the ability of the state to replace fossil fuels with renewable energy supplies over time.

SB 412 also lays out specific guidelines within the California Environmental Quality Act (CEQA) for the evaluation of proposed LNG facilities. Finally, the bill requires the CEC to display information about LNG project proposals online so that access to the status of projects

and other components of facility applications are available for instant review, and so that comparison is available to decision-makers and the public.

The LNG Siting Act established in 1977 was repealed in 1987, leaving no clear authority at the state level for reviewing applications for LNG plants.

“Look, the LNG proposals we’ve seen to date come in all shapes, sizes and colors. This isn’t a case where we can make an off-the-rack selection,” Simitian said. “There are a range of approaches and technologies available to deliver LNG. We need to make sure if we’re going to move forward on LNG in California that we pick the safest, most sensible technology out there.”

“The message for the LNG industry is: Be careful what you wish for, you just might get it,” Simitian said. “For the past two years, the LNG industry has, for the most part, opposed creation of a rational process for consideration and approval of LNG at the state level. The end result was a system that served neither the public nor industry well.”

There are currently at least three different proposals to build LNG receiving facilities onshore and offshore throughout the state. Each proposal differs significantly in terms of technological design, location, and impacts to public health, safety, the environment, military training and operations, and vulnerability to terrorist attack.

In May, Governor Schwarzenegger denied a pending LNG proposal which was previously rejected by both the State Lands Commission and California Coastal Commission. In a statement, Schwarzenegger noted that a “LNG import facility must meet the strict environmental standards California demands to continue to improve our air quality, protect our coast, and preserve our marine environment.”

“The Governor’s denial,” said Simitian, “highlights the crying need for a sensible approval process at the state level. There’s no rhyme or reason to the current state process for review and approval of LNG facilities. In fact, there’s no real process at all.”

Simitian serves as Chair of the Senate Committee on Environmental Quality and is a member of the Senate Energy, Utilities and Communications Committee.

To learn more about SB 412, please visit [www.senatorsimitian.com](http://www.senatorsimitian.com)

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