

Columbia River LNG terminal plan hits Oregon DEQ permit obstacle

By Ted Sickinger, The Oregonian

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Oregon environmental regulators have told the developer of a proposed liquefied natural gas import terminal on the Columbia River that they will likely deny the project's water quality permit in May in the absence of substantially more data on potential impacts to the river.

The demands highlight an ongoing regulatory showdown between the **Oregon Department of Environmental Quality**, federal fisheries regulators and **NorthernStar Natural Gas Inc.** The Houston-based company has proposed building an LNG terminal at an abandoned mill site on the lower Columbia River, 25 miles east of Astoria.



The **Bradwood Landing** project and two other LNG terminal proposals have prompted a firestorm of protest from community members, environmentalists and landowners along the pipelines proposed to serve them. Opponents say the terminals and pipelines are unnecessary and pose significant environmental, property rights and public safety problems.

Project developers, backed by trade unions, say that they've proposed adequate mitigation measures and that the terminals would diversify the region's gas supply and bring much needed jobs and tax revenue to rural communities.

The DEQ has consistently said it doesn't have enough information to make the call, only to be rebuffed by the company. This week, the agency wrote NorthernStar, asking it to provide more detailed information about how the construction and operation of the terminal would change the Columbia's water velocity, turbidity and temperature during spring and late summer, when salmon are migrating.

Capturing and analyzing the data could be a time-consuming and expensive process at a

point when competing LNG proposals in Warrenton and Coos Bay are nipping at Bradwood's heels in the race for full regulatory approval.

NorthernStar also has no assurance that the data won't show significant impacts on the river or turn up new biological wrinkles that need to be studied. The process has already consumed four years and tens of millions of dollars from the company's investors. And it is playing out against an industry backdrop that makes the project's economics uncertain, including burgeoning domestic gas supplies and a volatile supply of LNG in the Pacific basin to supply a West Coast terminal.

LNG is natural gas that has been superchilled to a dense liquid for transportation on ocean-going tankers. The liquid is offloaded and stored in tanks at import terminals, then reheated and piped to market or underground storage.

NorthernStar officials did not return calls Friday seeking comment. But DEQ director Dick Pedersen said in his letter that the company has made a series of "demands," principally to see the agency either drop its request for three-dimensional modeling of the river or approve a conditional certificate, with additional studies to come later.

The DEQ, however, is sticking to its guns. The agency says the scope and complexity of the LNG project is unique and it needs the best possible data upfront.

"We have to do this ahead of time," said Nina DeConcini, the agency's Northwest region administrator. "We've never done one of these projects. ... We don't have any idea what it will do. We have some information, but we know we need more."

Bradwood has already withdrawn and resubmitted its application for a water quality certificate twice. In one instance, the DEQ was approaching its one-year statutory deadline for a decision without the data it needed to make a decision.

The DEQ's letter this week said the company has submitted some information responsive to its request but it has included "large amounts of unrequested information that is generally not relevant" to the water quality analysis.

This time, the DEQ is supposed to make a decision by May 7. The agency told NorthernStar that it could withdraw and resubmit again. Otherwise, the absence of information "will likely lead to a denial of certification."

The DEQ is also waiting for the **National Marine Fisheries Service's** opinion on whether the terminal jeopardizes endangered species. NMFS had requested the same data as the DEQ. But the **Federal Energy Regulatory Commission** effectively twisted the fisheries agency's arm in December to get on with its process, with or without the information. Bradwood hailed that decision as a major milestone.

"FERC does not oversee the state in that realm," DeConcini said Friday. "It is our determination to make."

The DEQ said NorthernStar controls the clock. Data gathering and analysis could take until late fall. If NorthernStar then resubmits its application, the DEQ has a year to decide.

NorthernStar hoped to receive state approvals and begin construction of Bradwood this year. The project faces other hurdles, including the state of Oregon's challenge of the terminal's license, pending in federal court. The state says FERC erred by licensing the terminal before state agencies issued their permits.

The DEQ will hold a public meeting on the Bradwood project at 6 p.m. March 3 at the **Knappa High School** gymnasium in Astoria. The agency will share information and seek public input.

-- **Ted Sickinger**

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