SANTA BARBARA CHANNELKEEPER® environmental DEFENSE CENTER

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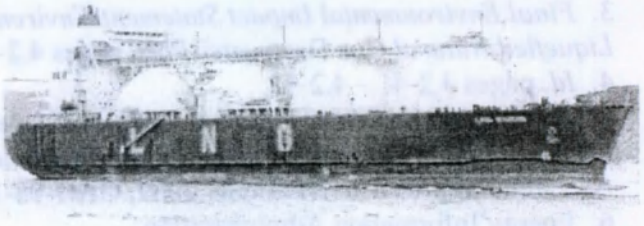
NorthernStar's LNG Project: Dispelling the Myths

A fact sheet prepared for Santa Barbara Channelkeeper (www.SBCK.org) by the Environmental Defense Center, Santa Barbara, CA (www.EDCnet.org)

LNG is NOT a clean fuel. Liquefied natural gas (LNG) is a fossil fuel, produced by "supercooling" conventional natural gas to condense it to 1/600th of its natural volume, so it can be loaded onto supertankers for transport overseas. Because of this complex, energy-intensive supply chain, use of LNG produces significant air and water pollution, as well as greater greenhouse gas emissions than conventional natural gas.[1]



LNG is NOT safe. LNG projects pose risks of dangerous fires, asphyxiation of humans and wildlife, and even explosion.[2] LNG spills can result from accidental or intentional (e.g. terrorist) causes.[3] When spilled LNG evaporates into the air, it becomes highly combustible and can cause a fire that extends for miles.[4] The U.S. Government Accountability Office has stated that no adequate plan exists for responding to LNG disasters.[5]

LNG is NOT cheap. Imported LNG is more expensive than conventional, domestic natural gas.[6] As global demand for LNG in other countries has increased, LNG prices have spiked.[7] For example, a recent LNG contract between Indonesia and Japan priced LNG at over twice the price of North American natural gas.[8]

LNG is NOT reliable. LNG is a foreign fossil fuel like oil, and is imported from countries like Russia, Indonesia, and Qatar. Not only can supply be withheld for political reasons, but it can be readily diverted to other countries willing to pay a higher price.[9]

LNG is NOT a "bridge fuel" to a renewable energy future. Former California Public Utilities Commission Chairwoman Loretta Lynch has stated repeatedly that LNG will *impede* California's ability to meet its renewable energy targets, because the investments and long-term contracts required for LNG will reduce funding for needed renewable energy projects.[10]

California does NOT need LNG. California has adopted an Energy Action Plan and Renewable Portfolio Standard that prioritize conservation, energy efficiency and renewable sources of energy. Natural gas usage in California has declined since 2000, and public utilities predict continued declines through at least 2015.[11] Many energy experts conclude that we can meet our demand without importing costly, environmentally destructive LNG.[12]

Take Action: Your tax-deductible donations to Santa Barbara Channelkeeper and EDC will help ensure that the proposed NorthernStar LNG project is independently reviewed, and complies with all applicable environmental and public safety laws. Visit Channelkeeper (www.SBCK.org) and EDC (www.EDCnet.org) on the web to make your contribution, and stay informed by signing up online to receive action alerts for upcoming hearings and events. For more information, phone Channelkeeper at 805/563-3377, or EDC at 805/963-1622.

1. *Final Environmental Impact Statement/Environmental Impact Report for the Cabrillo Port Liquefied Natural Gas Deepwater Port,* prepared by California State Lands Commission, United States Coast Guard and Maritime Administration (March 2007); Richard Heede, Climate Mitigation Services, *LNG Supply Chain Greenhouse Gas Emissions for the Cabrillo Deepwater Port: Natural Gas from Australia to California* (2006); Jaramillo, Paulina, Michael W. Griffin, and H. Scott Matthews, *Comparative Life Cycle Air Emissions of Coal, Domestic Natural Gas, LNG, and SNG for Electricity Generation* (Carnegie Mellon University, 2007).
2. *Final Environmental Impact Statement/Environmental Impact Report for the Cabrillo Port Liquefied Natural Gas Deepwater Port,* "4.2 Public Safety: Hazards and Risk Analysis;" *MARITIME SECURITY: Federal Efforts Needed to Address Challenges in Preventing and Responding to Terrorist Attacks on Energy Commodity Tankers*, U.S. Government Accountability Office (December 2007, GAO-08-141).
3. *Final Environmental Impact Statement/Environmental Impact Report for the Cabrillo Port Liquefied Natural Gas Deepwater Port,* pages 4.2-1 – 4.2-4.
4. *Id,* pages 4.2-41 – 4.2-45.
5. *MARITIME SECURITY: Federal Efforts Needed to Address Challenges in Preventing and Responding to Terrorist Attacks on Energy Commodity Tankers*, U.S. Government Accountability Office (December 2007, GAO-08-141).
6. Energy Information Administration, http://tonto.eia.doe.gov/dnav/ng/ng_pri_sum_dcu_nus_m.htm
7. *New York Times: Global Demand Squeezing Natural Gas Supply*, May 29, 2008.
8. "Response to Governor Kulongoski's Request for LNG and Natural Gas Review," Oregon Department of Energy, May 7, 2008, available at http://oregon.gov/ENERGY.
9. *Seeking Alpha: Natural Gas Sold Out: State Set for Long Term Price Doubling,* http://seekingalpha.com/article/75648-natural-gas-sold-out-stage-set-for-long-term-price-doubling.
10. Pers. Communication with Loretta Lynch, August 13, 2008; see also *Collision Course: How Imported Liquefied Natural Gas Will Undermine Clean Energy in California,* (Pacific Environment, 2008); *Natural Gas: Bridging Fuel or Roadblock to Clean Energy?* (Greenpeace, 1993) and *Liquid Natural Gas: A roadblock to a clean energy future* (Greenpeace, 2004).
11. *2006 California Gas Report*, prepared by the California Gas Utilities.
12. Tam Hunt, Santa Barbara Community Environmental Council, *Does California Need Liquefied Natural Gas? The Potential for Energy Efficiency and Renewable Energy to Replace Future Natural Gas Demand*, April 2006, available at http://www.communityenvironmentalcouncil.org/Programs/EP; Ratepayers for Affordable Clean Energy, *RACE's Comments to the CPUC Regarding Utility Contracts for LNG* (December 2007), available at http://www.lngpollutes.org/article.php?id=286.