

Council Meeting of
December 16, 2008

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: City Manager - Consider a RESOLUTION opposing construction of an off-shore Liquefied Natural Gas (LNG) delivery system

RECOMMENDATION

Recommendation of the City Manager that City Council consider a RESOLUTION opposing the proposed construction of the OceanWay Secure Energy LNG project by Woodside Natural Gas to extend from 23 miles off the coast of Palos Verdes, past Los Angeles International Airport (LAX), to an inland junction with existing natural gas infrastructure.

FUNDING

No funding is required.

BACKGROUND AND ANALYSIS

On October 21, 2008, Councilmember Numark proposed without objection that City Council consider a resolution at a later date opposing the construction of an offshore Liquefied Natural Gas (LNG) receiving station(s), also known as a deep water port, and pipeline.

The OceanWay LNG Project, as it is proposed, consists of an offshore receiving station(s) connected to an underwater pipeline that would travel inland to existing natural gas infrastructure. This project has at least three significant drawbacks. First, it introduces a new security risk to the communities near its proposed path adjacent to LAX. Second, there may be significant environmental impacts to sea life and air quality from construction of the pipeline, the vessels that would supply the pipeline, and expanding use of natural gas in our region. Third, the efficacy of this particular project in this location and the local versus regional costs and benefits should be compared before any such project proceeds.

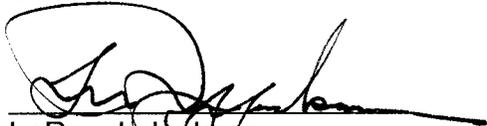
With these concerns in mind, the attached resolution is presented for your consideration.

Respectfully submitted,

LeROY J. JACKSON
CITY MANAGER

By 
Jered Elmore
Management Aide

CONCUR:


LeRoy J. Jackson
City Manager

Attachment: Resolution

RESOLUTION NO. 2008-____

A RESOLUTION BY THE TORRANCE CITY COUNCIL DECLARING THE CITY TO BE OPPOSED TO THE CONSTRUCTION OF A LIQUEFIED NATURAL GAS (LNG) DEEPWATER PORT IN SANTA MONICA BAY KNOWN AS THE OCEANWAY SECURE ENERGY PROJECT, AS PROPOSED BY WOODSIDE NATURAL GAS.

WHEREAS, Woodside Natural Gas, a subsidiary of Woodside Petroleum, is Australia's largest publicly traded oil and gas exploration and production company; and

WHEREAS, Woodside is proposing to construct, own, and operate a deepwater port for the delivery of natural gas into Southern California Gas Company's natural gas distribution system which it refers to as the OceanWay Secure Energy project; and

WHEREAS, OceanWay Secure Energy, would enable ships to transport liquefied natural gas (LNG) from overseas, transfer the LNG to a specially built regasification vessel which would dock to two floating buoys anchored below the surface of the water, regasify the LNG, and utilize two sea-to-land interconnected pipelines to transport the gas to landfall on the north end of Los Angeles International Airport (LAX). The pipelines would connect to the mainland's natural gas network via underground pipelines measuring anywhere from a quarter mile to several miles long and trenched especially for the project. The unmanned submersible buoys would be approximately 21 miles offshore from Port Dume and 23 miles off Palos Verdes; and

WHEREAS, liquefied natural gas, commonly referred to as LNG, is misleadingly described as a "clean fuel." LNG, like oil, is a finite fossil fuel which emits CO₂ and harmful air pollutants when burned. This aggravates global warming and causes human health problems; and

WHEREAS, LNG imports cause air and water pollution, and harm wildlife and the environment, from the places where the gas is extracted and liquefied, to the coastal communities where it is delivered, processed and sold. Global warming impacts from burning imported natural gas include significant increases in greenhouse gas emissions over domestic gas or re-gasification of supplies prior to consumption; and

WHEREAS, existing U.S. gas supplies are more than plentiful to meet California's needs, since U.S. natural gas reserves recently hit a 20-year high and the 2006 California Gas Report stated that existing supplies are more than enough to satisfy California demand over the decade ahead; and

WHEREAS, expanding the use of climate-safe renewable energy sources (such as wind, solar, bio-fuels) to levels already mandated by California state law would provide enough energy to meet our state's projected demand, and would provide new jobs in energy research and development; and

WHEREAS, an onshore pipeline located next to LAX will add an unnecessary risk to the world's fifth largest airport, which is considered one of the West Coast's top terrorist targets and the nation's top airport terrorist target. The placement of a natural gas terminal will make this already attractive target even more attractive since an attack could not only cause loss of life, but also cripple air traffic nationally, interrupt fuel supplies for California, and disrupt the region's economy; and

WHEREAS, the ships that Woodside intends to use to transfer the LNG halfway around the world are vessels that will not run on clean fuels. As such, these ships, which will sit and idle in the Bay while they transfer the LNG to regasification ships to convert the LNG to gaseous form, will spew noxious pollutants to coastal communities where residents will breathe in these dangerous pollutants.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF TORRANCE HEREBY PROCLAIM ITS OPPOSITION TO THE PROPOSED OCEANWAY SECURE ENERGY PROJECT BASED ON ITS CONCLUSION THAT CONSTRUCTION IS UNNECESSARY, ENDANGERING, DISRUPTIVE, AND COUNTERPRODUCTIVE TO THE CITY OF TORRANCE'S COMMITMENTS TO THE ENVIRONMENT, SECURITY, SAFETY, AND ENERGY INDEPENDENCE.

Introduced, approved and adopted this 16th day of December, 2008.

Mayor Frank Scotto

APPROVED AS TO FORM:
JOHN FELLOWS III, City Attorney

ATTEST:

by _____
Ronald T. Pohl, Assistant City Attorney

Sue Herbers
City Clerk