Interview with Susan Jordan re LNG

JB: Hello, I’m Janet Bridgers. Welcome to Heroes of the Coast, the program that brings you stories of real action heroes. I’m very pleased to have as my guest today, Susan Jordan.

Susan Jordan (SJ): Hi.

JB: Susan is co-founder of the California Coastal Protection Network and Vote the Coast. Correct?

SJ: Uh huh.

JB: You’re not wearing your cape! Susan, your tights! But you are a real action hero, and tell us how you became involved in coastal issues.

SJ: Well, I was thinking about that as I was coming here to the show, and I think the first most important interaction really occurred when I was a small child. And my family used to make a trip to the beach every summer, rent a house for two weeks, and this was on the Jersey Shore, and it was really there that I think I developed this very strong connection to the coast and the ocean.

It wasn’t until years later when I had moved out to California and made the obligatory trip up to the San Simeon Coastline and Big Sur, it was a short time after that that I was actually sitting at my kitchen counter reading the newspaper, and I read about a project that the Scripps Institute wanted to do called the acoustic thermometry of ocean climate, which really meant putting loud speakers in the ocean in the Monterey Bay Sanctuary and transmitting sound across the ocean basin with what we now understand to be devastating effect, potential effects, on marine mammals.

And I was reading this newspaper story, written by a terrific reporter, who is still with the L.A. Times actually, and I just read it and I said, “this is really a bad idea.” And that pretty much launched my entry into coastal protection on this level, interacting on a statewide and national level.

JB: But the work that you do now is as a lobbyist, correct?…on behalf of coastal issues.

SJ: You know I was thinking about that. It’s really hard to define what I do, and lobbyist is such a pejorative term in many respects for some people. I think what I do is I implore, I beseech, I beg, and I advocate on behalf of…I try and educate people to issues. I try to move them to make the right decision and ultimately my goal is always to protect the coast.
JB: But you spend a lot of time in Sacramento, right?

SJ: I spend time in Sacramento. I spend time in local communities fighting alongside residents to help them garner their forces. You know, a lot of people...some decisions get made in the legislature. Some get made in the governor’s office. Some get made at the Coastal Commission, some get made at the State Lands Commission. I see it as my role to help people to understand how the decisions get made and how to help them impact those decisions.

JB: That’s a very important role. Do you ever see people who are overtly hostile to the coast?

SJ: Sometimes you do. You know, it’s different. People have a very different...like on public access, for example. These people may love the coast, but they live there and they don’t want anyone else to be going there. I mean it’s overtly hostile, but that doesn’t they don’t care about the coast. I think people can be…particularly some development interests, the energy companies, the oil companies, I don’t know if I would call it overtly hostile, but I would say they don’t put protection of the environment as the number one. The profit is number one. We have to make sure that profit gets tempered and balanced with appropriate environmental protection.

JB: There’s a big issue confronting the coast now that I know you’re very involved in. And we use the acronym LNG to describe it, but let’s explain to the viewers what that’s about.

SJ: This is really the oil companies’ next product. It’s called LNG. The long term is liquefied natural gas. It’s very hard to educate on this issue. It’s been a real challenge for us, because everyone thinks, “oh natural gas, it’s clean, it’s terrific, no problems.” But no one understands is that it’s a fossil fuel, and while it might burn cleaner than oil or coal, it’s not clean, and it carries with it certain environmental consequences, increased air pollution being one of them.

The other aspect about LNG though that makes it different from the natural gas that we get from domestic supplies is that it’s imported from foreign countries. And what they do is they extract the gas, they freeze it, which really liquefies it, condenses it. They load it onto tankers, they ship it across the ocean. Then they have to make it back into gas, so they have to regassify it. And then they would pipe it into the pipeline. But it’s a tremendous supply chain that has environmental impacts from the extraction sources all the way to the unloading level.

JB: There’s a lot of loss of product along the way, too.

SJ: There’s some loss, and there’s of course the burning of the gas. We’re looking at...there’s five proposals being proposed for just off California. And there’s no planning for where these things should go. There’s no uniform standard for what they should look like or how they should operate. It’s really kind of a hodge podge, that’s being pushed through on an expedited level by the federal government and the Bush administration. So what we’re fighting in California to do is to create a process that first says “do we absolutely have to have LNG? Is it a smart choice to transfer your dependence on imported oil to imported gas?” That should be the baseline question that everybody asks themselves.
Once you get past that though, if the state makes the decision to import LNG, we feel very strongly that there should be a process that evaluates how they do that, and there is no such process. We’re trying to get one, but…..

JB: It seems very obvious that it would be the smart thing to do to think about these issues before we permit a liquid natural gas terminal.

SJ: I know. It’s fascinating, isn’t it? It seems like very basic elemental idea that…

JB: Is this payback for voting …for going blue in the last presidential election?

SJ: Well, actually this is a national problem. And what the energy companies did is they first went to the Gulf Coast, because that’s where their home base is, that’s where they have the most clout. And they managed to get some proposals approved there. And then they went to the Northeast and they’re trying to push through proposals there. They came to us third and knowing that California is going to be a much tougher nut to crack. We’re very protective of the coast. And we have a strong track record in terms of environmental protection. But that hasn’t stopped them from trying.

Now they’re going up to Oregon as well. But there were, at last count, 40 pending proposals on both coasts, with no coherent planning for where they should go, how they should be designed. It’s really whoever gets out of the permitting gate first. Doesn’t matter if they have the most invasive design, with the most substantial impacts. If they manage to get their project through the permitting gate, they’re the first one to get built. We think this makes absolutely no sense, and there’s a whole lot of people who agree with us.

JB: Where are in terms of the five proposals at this time?

SJ: And they’re all very different. This is another thing, when people talk about LNG, and this is a real test in terms of educating the legislature about this, people tended to think that they’re just cookie cutter power plant designs. That couldn’t be further from the truth. One of the ones that’s the furthest along sits off the coast of Malibu and Oxnard and it’s a massive floating terminal—three football fields long and 14 stories high. It would be moored off the coast for a minimum of the next 40 years. It would be the largest infrastructure ever permitted off the California coast. And that’s a footprint without the tanker. That’s probably the furthest along. But people have really rallied now in terms of understanding what the impacts are.

There’s been a kind of knee-jerk reaction in thinking about these facilities because they are dangerous, inherently dangerous, that if you just push it offshore, all your problems go away. And we’ve since learned through hiring experts and having our attorneys review all the documents that that’s not the case.

The second project is in the Long Beach Harbor, and obviously that raises its own problems, because it’s in a very busy harbor next to densely populated neighborhoods. So..but those two are probably the furthest along.
Some interesting late entrants...there’s a company called Woodside, from Australia, who’s proposing to bring in a tanker 22 miles offshore, so further than the floating terminal, further offshore, and regassify the LNG on the tanker, download it into a buoy system and then sail away. No footprint. That doesn’t mean it doesn’t have environmental impacts, but you don’t have this massive floating industrial factory terminal sitting offshore for a minimum of 40 years.

So those are kind of the highlights. There’s another proposal that is slightly different from the buoy system but similar in the sense that the tanker comes in, it docks into much smaller hardware and regassifies as it go through that right into the pipeline and then it sails away.

So these are the kind of questions we’re posing to both the governor and the legislature, saying that we believe that you have a responsibility to look at all the proposals that are on the table and evaluate if you’re absolutely committed to moving forward with this, which we think is debatable whether they should or not, which of these is the best choice for California.

The fifth one is taking an oil rig and converting that to a berth.

JB: Where does California currently get its natural gas supplies?

SJ: We get our natural gas supplies from the western states and from Canada. That’s an interesting question because a lot of this natural gas crisis that provided the impetus for the push to import LNG was generated by a company called Sempra, who was implicated in our electricity crisis, which resulted, as we all know, in the recall and many other things. Actually, right now natural gas reserves are at their highest point ever. So we feel that there’s a certain role that industry is playing in manipulating supply and in order to drive up the prices, and create the impetus to move toward importing LNG.

JB: So there isn’t really a lack...we’re not about to run out of natural gas?

SJ: No, I’m afraid we’re not.

JB: Not in the next year or two.

SJ: Absolutely not. And it’s a really fascinating dynamic when you look at it. Exxon Mobil and BP are sitting on tremendous reserves and they’re talking about doing an Alaskan pipeline. It’s all a matter of how does the country and how does California approach this in a way that doesn’t transfer one dependence on something to another. And how does it protect our sovereignty and not taking a hit on the coast, if we don’t have to.

JB: And the pipelines, although I know they’re prone to accidents and have to be very carefully monitored in terms of the condition of the pipeline, that they actually have very little impact as long as they’re in good condition, once they’re in. Is that correct?

SJ: You know, I’m not a pipeline expert. So I’m probably not going to weigh in on that. When I talk to people, what they tell me is that pipelines leak. There’s always something down the road. There’s always a maintenance problem. But needless to say, we think the United States should
be relying on its own reserves, requiring the companies who hold those reserves to develop them, or to move, and which we think is the best choice, to move much more aggressively towards renewables. And to make those investments up front, which is not really where they’re heading. It’s a much easier market for them to dominate on a global basis.

JB: The BHP Billiton project. How close do you think it is to possibly being permitted?

SJ: Well, I can tell you precisely that it has to go through a series of steps. The State Lands Commission will probably review it in October. The Coastal Commission will review it in November. The U.S. EPA is actively looking at a permit for it right now. We could be looking at an approval on that facility in November, and then the governor has the authority to veto it, if he doesn’t veto it…

JB: Is he likely to do that?

SJ: I would say “no.” I don’t think he is likely to veto it. He has made statements in the past that have been supportive of this project. There’s a tremendous amount of money at stake. This company was the largest…the seventh largest spender in lobbying dollars in 2005. This company alone spent $1.8 million at the state level. And that doesn’t account for everything they spent at the federal level lobbying the EPA and the White House. We have all the documents, we have all the FOI requests. We know exactly what’s happened here.

This is billions and billions of dollars proposition for this company. They’re the largest mining company in the world. This is their first really big venture to get a dominant position in that market. They don’t have a great environmental track record internationally, but they don’t have a very high profile in North America. That’s something we’re trying to get the word out on as well. I mean they don’t have the record of being a great corporate citizen, and they would completely control this facility. They would own it. They would operate it. And they wouldn’t let anyone else bring gas to it.

JB: Really?

SJ: Really. I know people say, “I just can’t believe she said that,” but these are the kind of major issues that haven’t been resolved, and where we think that this administration under Schwarzenegger has been absolutely remiss. There’s an issue of what they call “closed or open access.” And all this means is that “here’s my facility. If it’s closed access, it means I own it and nobody else can bring gas to this facility.” And if I close it for maintenance, “well, I’m very sorry. You don’t get any gas that day.” Okay. If it’s an open access facility, like some of the proposals are, they can bring their own gas to it, but they can allow other people to deliver gas to it. And what we say is, “it seems to us, the more competitive approach that would point you to lower prices would be an open access facility.”

It means it’s a question that should be openly debated by the administration in a very open way and that hasn’t happened yet. This administration’s position on liquefied natural gas is to let the market decide. Let the market decide what the facilities are going to look like and where they go. We think that’s completely unacceptable.
JB: Well, a couple questions come to mind. If they get their permit, can legal action then impede the process to where the other permit applications could catch up? Or once they get it, is that a done deal?

SJ: Well, there’s two things that we’re doing here. One is, because this particular proposal, which has never been done anywhere else in the world…it’s an experimental design. And when I saw it moving through the pipeline as quickly…it was actually supposed to be approved last April. So I decided to bring on a well-respected oil and gas public interest environmental firm, called the Environmental Defense Center. They’re really the leaders in California, and I think nationally, on oil and gas issues.

I brought them in to coordinate the review of all the draft environmental documents and to hire experts to evaluate. And we found out some actually frightening things in the process. But so what we’ve done is, I think, lay the groundwork for initiating litigation should this proposal get approved. We clearly believe they’re violating requirements of the Clean Air Act and we believe have convincing proof of that. We hope it doesn’t get that far.

The other thing that we’re trying to do is get a bill called SB426 by Senator Joe Simitian passed this session. It would require the state to do what they’re not doing, which is to take all these proposals and compare them against each other and to talk about need. And to figure out, if they’re going to do this, which one is the best choice for California, which is the safest in terms of public safety, public health, environmental impacts, even impact to military operations.

A little known fact is that the military in this country is really not very fond of these facilities and where they get placed, because they have a tremendous on their ability to conduct training and operations off the coast.

JB: And they also, it seems to me, the federal government is using the terrorist card when they want to, but not when it seems obvious that there would be a terrorist threat when having this huge white thing in the water and frankly, I still can’t believe that Long Beach would be considered…

SJ: A lot of people feel that way. But when you’re in a position where you say, “let the market decide,” you’re letting the market decide. And unfortunately, when a federal energy bill is making its way through Congress, there was a provision, which is now law that took away states’ ability to site LNG facilities on land. Doesn’t apply to offshore. It applies to on-land. That was a point when we really had hoped that this governor would really step up and use his celebrity profile, which he seems so willing to do in other instances, to really go and lobby Congress, have a press conference, stamp your feet and tell people this is the wrong choice for the federal government to do…to take away a state’s jurisdiction. He sent a letter, but letters don’t do it.

JB: First of all, please let our viewers know about the Simitian bill and how they can rally support for the bill.
SJ: Oh good. Well, the Simitian bill will be coming up to the floor in the Assembly. It’s already passed the Senate side. It’s on the Assembly side. We need to amend it because it’s a two-year bill. We have to make some changes in dates. And then we’ll be actively seeking support from legislators on the Assembly side to pass the bill. The Assembly’s been a little bit more of a conservative body when it comes to environmental laws, a little bit more of a challenge than it has been traditionally on the Senate side to get environmental bills out. So we need people to contact their legislators in the Assembly and encourage them to vote for this bill. And then we’ll go over to the Senate side and then hopefully we will put it right on the governor’s desk and ask him to sign it.

JB: Right before the election.

SJ: Yes.

JB: This could be a big campaign issue.

SJ: I think it is going to be a big campaign issue because the Democratic opponent, Phil Angelides, has been very supportive. He endorsed this legislation over a year ago. He’s a very quick study on policy issues. I was very impressed. He got this issue right away. He understood it and he took a very bold step when he endorsed this legislation so early on. And we know that he supports it and he has a terrific plan in his Coast Guard plan that addresses permitting of LNG terminals and what he believes should happen before these types of facilities are permitted. We believe he understands the need for a coherent and rational policy framework.

JB: Now actually another piece of legislation, actually the Clean Money bill. This would have a great impact on the legislature, of course, and if Billiton has been out there spreading a lot of money, it’s going to be harder…

SJ: In terms of the Clean Money bill, I don’t know that it made its way out of the legislature. I do think it qualified as an initiative. And we’ll be seeing in that format. The money is a very big issue, both for our ability to continue our work in the nonprofit world and to impact the legislature and the administration on issues. So it would be nice to get that playing field somewhat level.

JB: Susan, we’re into the last minute of the show.

SJ: Oh okay. That went so fast. I thank you for doing this. It’s so important to make this kind of record of the work that’s going on for the coast.

JB: It is my great pleasure to recognize the work of people like you.

SJ: Oh, thanks.

JB: And viewers, thank you for tuning in. It’s your coast, but it won’t stay the wonderful place that it is unless you Vote the Coast!!
[end of interview]