

Memorandum in Strong Opposition to A.9022 / S.6265

May 19, 2008

A.9022 (Alessi) / S.6265 (LaValle) - AN ACT to amend chapter 395 of the laws of 1978, relating to moratoriums on the issuance of certificates of environmental safety for the siting of facilities and certification of routes for the transportation of liquefied natural or petroleum gas, in relation to including Nassau and Suffolk counties within such moratorium

The Independent Power Producers of New York, Inc. (IPPNY) is a trade association representing companies involved in the development of electric generating facilities, the generation, sale, and marketing of electric power, and the development of natural gas facilities in the State of New York. IPPNY represents almost 75 percent of the electric generating capacity in New York.

IPPNY strongly opposes the passage of A.9022 / S.6265. This legislation would extend the existing moratorium on the siting of new liquefied natural gas (LNG) facilities, currently only applicable to cities with a population of one million or more, to include Nassau and Suffolk counties.

The existing moratorium for New York City was enacted as a result of a construction-related accident, which occurred in 1973. During routine maintenance, a fire broke out within an empty LNG tank, resulting in a structural collapse that killed a number of workers. LNG was not a contributing factor to the cause of the accident. Current moratoriums are based on fear, not fact, and should not be expanded. LNG has been used safely and reliably for 45 years in the U.S. It is odorless, non-toxic and non-corrosive, and if spilled, LNG does not result in a slick. It evaporates quickly and disperses, leaving no residue.

The laws and regulations presently in place in New York already ensure the safety of the public through a comprehensively designed and stringent process. Existing requirements balance the needs of the state and the public, while guaranteeing a sufficient supply of liquefied natural gas that is essential in the generation of electricity. If this bill is enacted, it would impose a moratorium until April 1, 2009 on the siting and transportation of this gas, without regard to the current process or to the energy needs of Long Island and New York State.

New York State's energy policy is to obtain and maintain safe, reliable and diverse energy supplies and to increase our energy independence in order to promote economic growth. The New York Independent System Operator's Power Trends report identified the need for an effective fuel diversity strategy such as increasing the use of LNG.

For the reasons stated above, IPPNY opposes A.9022 / S.6265.