

Memorandum in Strong Opposition S.6265 / A.9022

June 19, 2007

S.6265 (LaValle) / A.9022 (Alessi) - AN ACT to amend chapter 395 of the laws of 1978, relating to moratoriums on the issuance of certificate 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 S.6265 / A.9022. 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 moratorium currently in place for New York City was enacted as a result of an accident which occurred on Staten Island in 1973, in which 37 construction workers were killed. These workers were repairing the interior of an empty LNG storage tank when a fire broke out. The pressure inside the tank increased so fast that the concrete dome lifted and then collapsed, falling inside the tank and killing the construction workers below. 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.

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. LNG is an essential component of diversifying our energy supplies.

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