

OPPOSITION PIPES UP

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People who live near a proposed natural gas line work to block it

GLASGOW, Ore. - It might snake along the steep hillside a hundred feet from Lisa LaGesse's grand home with an unfettered Coos Bay view. It could mow down the tree line Mary Muenchrath can see from her back window. Visitors to the Kentuck Golf Course would walk right on top of it as they approach Hole 9.

It's a high-pressure, 223-mile, 3-foot-in-diameter pipeline, proposed as a means of transport for a \$500 million liquefied natural gas terminal headed for Coos Bay's North Spit. And there's very little LaGesse or Muenchrath or the golf course owners can do about it.

Since a Colorado energy company, Energy Projects Development, proposed the terminal a year ago, North Bend resident Jody McCaffree has organized a small force in opposition to the terminal, the pipeline or both, on the grounds of safety and concern for the environment.

More than 2,000 people have signed a petition opposing the terminal and the pipeline. The Oregon International Port of Coos Bay, the North Bend and Coos Bay city councils and U.S. Rep. Peter DeFazio all are on record opposing the pipeline's routing through any residential areas.

But none of those entities can stop it - not the pipeline, not the terminal. Thanks to a 2005 energy bill passed by Congress, the authority for siting liquefied natural gas terminals in the United States lies with the Federal Energy Regulatory Commission. Local and state entities can weigh in, but their authority to give them a thumbs up or thumbs down is limited. And the Canadian company that would build the pipeline can try to persuade federal regulators to grant a "certificate of convenience and necessity" to put the pipeline wherever its engineers see fit - even if that means seizing 95-foot-wide swaths of land via eminent domain.

McCaffree and her supporters are writing letters and e-mails in the hopes of making it just hard enough that the project's proponents will get frustrated and give up. But, without the money to pay lawyers to fight the siting and the pipeline route in court, they know they're gnats against the elephant of tens of millions of dollars the energy companies have to spend on the project. The pipeline builder, a Canadian company called Williams, already has sunk \$15 million into the project; the terminal builder, Energy Projects Development, \$10 million.

With investments such as those at stake, the companies involved don't appear to be going away, everyone agrees.

And why should they, asked Bob Braddock, project manager for the Jordan Cove Energy Project. Plenty of people in Coos County support liquefied natural gas, which proponents describe as a cheap energy source that could lower utility prices in the area, create jobs and bring new industry to the bay's struggling economy. Opposition has steadily mounted in recent months, but so has support.

The case for the pipeline is bolstered by the pro-LNG South Coast Development Council, which hired economists at ECONorthwest to study what financial impact a terminal and pipeline could have on the bay area and the Oregon economy and energy market. The firm drew several conclusions:

Despite neighbors' concerns, there's no evidence that LNG facilities hurt nearby property values.

Oregonians would save \$17 million in 2016 (a typical operating year) on their energy bills if the terminal were built in Coos Bay rather than California. Local businesses would save \$31.5 million in each year the terminal operates.

Since natural gas is the primary source of industrial hydrogen, its availability in Coos Bay could spur development of the nonpolluting fuel.

The county's economy could support 400 additional jobs with above-average wages with a terminal in Coos Bay.

A Coos Bay terminal would raise annual employment statewide by 1,173, with an increase in total economic output of \$488 million.

"There are people opposed to the terminal because they don't seem to understand the physics behind LNG," port marketing director Martin Callery said. "They've decided it's going to be a safety hazard, that it's going to explode. LNG isn't explosive. It's not even flammable."

Local residents are concerned, however, because they say that if there is a leak, and the gas vaporizes, it can explode.

DeFazio opposes the pipeline, which will carry natural gas, is being built through any residential areas - partly because the proposal has changed so much since it was first floated.

In the beginning, the plan was for a \$150 million terminal that would feed gas into Coos County's existing 60-mile pipeline, built to transport natural gas from the Willamette Valley to the bay. The idea was to optimize the line by using it to ship gas out of Coos Bay as well as bring it in from the valley.

Demand changed all that, though, Braddock said. Investors realized that they could sell gas not just to a corner of the Pacific Northwest but to the whole region. That required a bigger pipeline and a much bigger terminal - one that will hold 6.4 billion cubic feet of liquefied natural gas.

"Suddenly along comes Williams (the pipeline builder) and we have a huge facility with a giant new pipeline going through thousands of private properties that has no outlets in Oregon - it's just going to ship gas to California," DeFazio said. "It has morphed tremendously."

That has left some residents feeling baited and switched. If the gas is for Californians, they ask, why shouldn't the terminal be built there?

It's not being built there, McCaffree said, because California and California cities where recent terminals have been proposed spent millions of dollars on lawyers to fight them in court. That's an unlikely prospect in blue-collar Coos County, which watched 4,000 manufacturing jobs depart in the past 30 years and where annual wages today are at least \$9,000 below the statewide average.

Braddock denies that the pipeline would be built only to supply California.

The target market is Northern California, which uses 1.8 billion cubic feet of natural gas each day.

But the rest of the Pacific Northwest uses 1.4 billion cubic feet, so there are plenty of places besides California that want gas.

"You have to look at the gas pipeline grid the same way you look at the Bonneville Power grid, the rail system and the highway system. It's part of a transportation grid," Callery said. "To us, it's not an issue of where the final user is. It's balancing the demand between the various regions."

Francis Eatherington, executive director of Roseburg-based nonprofit Umpqua Watersheds, calls the project "insane," "inefficient" and "illogical."

"This pipeline would entail clear-cutting a 100-foot-wide swath through some of our very best forests, much of our reserves for endangered species, not to mention all the private land," Eatherington said. "Who thought of this idea?"

Williams is meeting with landowners who don't want a pipeline on their property and negotiating solutions, project manager Steve Potts said.

But about 10 percent of the affected landowners remain opposed and, for those, Williams will try to persuade the federal government to let the company use eminent domain.

That worries Kentuck Golf Course manager Wally Culp.

"We're built on reclaimed tidal lands," Culp said. "I've had machinery in the wintertime get stuck three feet deep plenty of times."

He is afraid, he said, of hitting a pipeline, or setting off a spark, and getting blown up. "I love all the industry we can get

in Coos County, but let them pick a different route."

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