

Acknowledging LNG's place in Maine

The way life should be" represents many things that make Maine unique, including a clean environment, low crime and good schools. But without economic stability that allows for Maine families to live and work in a place of their choosing, these qualities mean less. Liquefied natural gas is not the silver bullet to economic development in Washington County, but it is a part of the solution to diversifying the economy while filling a need that provides jobs and limits environmental impacts.

Last year, I heard a new resident to Maine and an LNG opponent use the phrase "Maine: the way life should be" to support their position that LNG was not right for Maine because it would change their image of the state. I thought — whose Maine was he referring to, and why did he think LNG would change that?

Despite the impression of many that LNG is relatively new to this region, there are actually 45 LNG storage tanks in 31 communities across New England with an excellent environmental and safety track record. It is also important to note that our increased use of natural gas over the past decade has improved air quality by displacing more polluting fuels, such as fuel oil and coal. Gas has lower emissions and higher energy efficiency in the home, office, factory and power plant.

The recent proposals to build LNG import terminals has many Mainers and other New Englanders asking why we need LNG. We at Downeast did as well. Being a native of New England, I understand our nature for skepticism — but there are very strong reasons why we need new LNG terminals in our region, including rising gas demand, sustained high gas prices and declining U.S. and Canadian gas production.

Why not rely on Canada for LNG? Although development is moving forward with the two LNG facilities in the Maritimes, the decision to build either

facility has not yet been made. Imported natural gas (regasified LNG) from Canada will be more expensive than a U.S.-based LNG facility due to Canadian pipeline tariffs. And many also question whether we should be reliant upon Canadian LNG to meet our own domestic gas needs.

A broader question is whether LNG is the solution to our energy needs. While LNG is not the only answer, I believe it represents a critical piece of the puzzle. Increasing energy conservation and further investment in renewable energy are important. However, even with the best-case efficiency gains and more renewable investments, we will still need

*This transitional
fuel will help meet
our growing
energy needs*

three or four LNG terminals in New England and the Maritimes over the next 20 years.

Many see the recent LNG proposals through-

out the United States as proof of the gas industry's uncoordinated response to our growing gas deficit. In actuality, it is a natural competitive response to a market need in a deregulated industry. Natural gas was fully deregulated in the 1980s. By doing so, the public transferred the burden of infrastructure development, such as LNG terminals, to the private sector. This is how competitive markets — the basis of our economic system — work.

Downeast LNG recognizes the need for a more holistic approach in identifying the best sites for LNG terminals by considering community needs, as well as environmental and technical issues, collectively. We understand that any new proposal in Maine or other New England states would be greeted with many questions unless there were strong justifications for choosing a specific site. For us,

the result was a regional site selection study that identified and ranked potential sites throughout New England. The focal point of this approach was to ensure that a safe and environmentally benign LNG facility could be developed.

So what about community involvement? My experience in community development as a Peace Corps volunteer and thereafter in international development, taught me some important lessons. For example, a project can meet its operational or commercial objectives and be deemed a successful project while still failing to address certain community needs. The two should not be mutually exclusive. It takes commitment by the developer and the community to work together.

Openness and transparency are cornerstones of our approach at Downeast LNG. To that end, we recently reached out to the leading opposition group to LNG development in Washington County. We wanted to formally present and discuss our project and to ensure that the objectives we both shared, sustainable economic development for the area, were adequately addressed. Ironically, they refused to meet with us. Thankfully, that reaction has been the exception, not the rule.

As Downeast LNG project enters its full development phase, we have begun initiating discussions with LNG suppliers and potential gas consumers, and interest is strong. We will continue to keep the public updated — and seek their input — as this project advances.

LNG will play an important role as a transitional fuel over the next 30 to 40 years in Maine and the rest of New England to meet our growing energy needs. Equally important, I believe it can serve as a needed component for economic diversification and community development in Washington County.

Dean Girdis is the president of Downeast LNG.