

**MOORPARK CITY COUNCIL  
AGENDA REPORT**

**TO: Honorable City Council**

**FROM: John Brand, Senior Management Analyst** 

**DATE: April 10, 2008 (CC Meeting of 04/16/2008)**

**SUBJECT: Consider Resolution Opposing the Preferred Off-Load Site of the Woodside Oceanway Liquefied Natural Gas (LNG) Terminal Proposal Due to Its Adverse Impacts on the Naval Base Ventura County**

**SUMMARY**

The Council is being asked to approve a resolution opposing the preferred off-loading site of a proposal to establish an offshore liquefied natural gas (LNG) facility in the Pacific Ocean near the Ventura County coastline due to its adverse impacts on the Naval Base Ventura County.

**BACKGROUND**

The Regional Defense Partnership for the 21st Century (RDP-21) is an informal group that works to support, strengthen, and elevate the value of Naval Base Ventura County (NBVC) for the Department of Defense. RDP-21 has been instrumental in bringing new missions to NBVC in response to the Base Realignment and Closure (BRAC) Commission held in 2005. It is composed of representatives from government, industry, the community and others.

A proposal to establish an offshore liquefied natural gas (LNG) terminal has been submitted to the US Coast Guard by Woodside Energy, Inc. If deemed complete it will subsequently go through the normal public review and public comment process, and also be subject to review by the California Energy Commission.

The RDP-21 requests that the City Council consider the attached resolution of opposition to the preferred off-loading alternative of the proposal by Woodside Oceanside for an off-shore LNG terminal. The preferred off-loading site is located in the heart of the Pt. Mugu Sea Range, which extends into the Pacific Ocean from Naval Base Ventura County (NBVC). The preferred alternative off-loading site would greatly impede the testing and evaluation capability of the Sea Range. Note that the Council is

not being asked to consider a resolution of opposition to the entire proposal, but only to the preferred off-loading site.

## **DISCUSSION**

According to the RDP-21, the preferred off-loading location alternative presents an undesirable encroachment upon the activities and interests of Naval Base Ventura County, as well as an impediment to the proper functioning of the Point Mugu Sea Range.

The RDP-21 requests that Ventura County cities and the Board of Supervisors establish formal positions on this proposal so that the appropriate representatives will be authorized to offer official input, commentary or testimony during public comment periods as they arise.

There are at least two proposals for bringing LNG to this area, but the Woodside Oceanway proposal is unique in that it would involve open ocean ship-to-ship transfers of LNG from large tanker transport vessels to smaller ships, called coastal lighters, which would subsequently carry the LNG to a coastal area terminal, either offshore or onshore, for off-loading. The re-gasification of the LNG could occur either aboard the coastal lighter during the transfer process or at the terminal. During the ship-to-ship transfer, both vessels would essentially be free floating drifts. Woodside Energy projects approximately 65 transfers per year; each transfer is projected to require 30 hours, which totals 80 days or more with free drifting vessels in the designated transfer zone. The designated preferred transfer site is described as on the open ocean directly in the heart of the Point Mugu Naval Sea Range, the primary west coast site for naval weapons testing and evaluation. Thus, the proposal poses a serious impediment to the conduct of naval business on the sea range.

Scheduling for testing on the Sea Range is difficult. Due to the nature of the business, many tests are scheduled 60 days or less beforehand. Tests can be delayed for days at a time by storms, heavy fog, heavy seas or other weather-related incidents. These tests are vital to national security, as well as the vitality of NBVC. It would be very difficult to schedule tests, including the resulting weather-related delays, around 80 days of off-loading LNG from the tankers to the coastal lighters.

The Point Mugu Sea Range is an integral part of Naval Base Ventura County (NBVC), which represents in excess of two billion dollars to the regional economy annually and provides 17,000 jobs to county residents. Many of these are highly skilled and well-paid scientific and engineering jobs. The sea range is a critical element required for the Navy to perform vital functions in weapons systems development and testing, and any project which could compromise its ability to do the job for which it was established would threaten the viability of the base, itself, in any future consideration of potential base closure. It is clearly not in the interest of the region to have any LNG project

approved that would encroach upon NBVC or compromise its future viability. Again, Council is reminded that only the preferred alternative off-load location encroaches upon the Sea Range; Council is not being asked to oppose the entire proposal.

If adopted, the attached resolution of opposition to the Woodside LNG proposal's preferred off-load site would authorize staff and City representatives to express opposition before any and all governmental or regulatory bodies or other agencies taking comments on the issue.

**FISCAL IMPACT**

None.

**STAFF RECOMMENDATION**

Adopt Resolution No. 2008-\_\_\_\_\_.

RESOLUTION 2008-\_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF MOORPARK, CALIFORNIA, OPPOSING  
THE PREFERRED OFF-LOAD SITE OF THE  
WOODSIDE OCEANWAY LIQUEFIED NATURAL GAS  
(LNG) TERMINAL PROPOSAL

WHEREAS, the City Council of the City of Moorpark opposes the Woodside Energy Preferred Alternative STS-1, which encroaches upon the activities and interests of Naval Base Ventura County and is an impediment to the proper functioning of the Point Mugu Sea Range, creating a circumstance which is not in the best interest of national defense; and

WHEREAS, based on the fact that a proposal to establish an offshore liquefied natural gas (LNG) terminal has been developed and submitted to the United States Coast Guard by Woodside Energy, Inc., and if deemed complete by the United States Coast Guard, it will subsequently have to go through the normal public review and public comment process, and similarly it will be subject to review by the California Energy Commission. There may also be additional reviews required by other agencies, as well as other opportunities for public comment in additional forums; and

WHEREAS, this specific proposal is unique in that it would involve open ocean ship-to-ship transfers of liquefied natural gas from large tanker transport vessels to smaller ships, called "coastal lighters," which would subsequently carry the LNG to a coastal area terminal, either offshore or onshore, for off-loading. As part of their application, Woodside has proposed to conduct ship-to-ship transfers of LNG at three ocean locations, referred to as STS-1, STS-2 and STS-3. During the ship-to-ship transfer, both vessels would essentially be free-floating drifts. Their preferred location for this transfer is STS-1 which is in the heart of the Sea Range. The regasification of the LNG could apparently occur either aboard the coastal lighter, during the transfer process, or at the terminal; and

WHEREAS, Woodside Energy projects approximately 65 transfers annually requiring 30 hours per transfer to complete, cumulatively 80 days or more with free-drifting vessels in the designated transfer zone. The designated preferred transfer site is described as on the open ocean directly in the heart of the Point Mugu Naval Sea Range, the primary west coast site for naval weapons testing and evaluation. Thus, the proposal would represent a serious impediment to the conduct of naval testing and training on the Sea Range; and

WHEREAS, Naval Base Ventura County (NBVC), of which the Point Mugu Sea Range is an integral part, represents in excess of two billion dollars to the regional

economy and provides 17,000 jobs to Ventura County residents. Many of these are highly skilled and well-paid scientific and engineering jobs. The Sea Range is a critical element required for the Navy to perform vital functions in weapons systems development testing and training, and any project which could compromise its ability to do the job for which it was established would threaten the viability of the base itself in any future consideration of potential base closure. It is clearly not in the interest of national defense or specifically the City of Moorpark to have any LNG project approved that would fundamentally encroach upon the Naval Base or compromise its future viability.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOORPARK DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The City Council hereby opposes the Woodside Oceanway's STS-1 Alternative of its liquefied natural gas (LNG) terminal proposal as currently submitted to the United States Coast Guard. The City Council of Moorpark indicates its opposition to the Woodside LNG proposal, specifically, the use of the ship-to-ship transfer point designated as STS-1 and authorizes any and all of its official representatives to express said opposition formally before any and all governmental or regulatory bodies or other agencies or organizations demonstrating an interest in or concern with the issue.

SECTION 2. The City Council, in establishing its formal position in opposition to Woodside Oceanway's LNG Terminal proposal, empowers appropriate City representatives and authorizes them to offer official input, commentary or testimony with respect to these regulatory reviews and are forearmed with the guidance of the City Council to advocate effectively against such a proposal on behalf of the citizens of Moorpark.

SECTION 3. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original resolutions.

PASSED AND ADOPTED this 16<sup>th</sup> day of April, 2008.

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Patrick Hunter, Mayor

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ATTEST:

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Deborah S. Traffenstedt, City Clerk

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