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PST Supports Biden Administration Pause on LNG Export Approvals

Pause will allow time for modernization of inadequate safety regulations for LNG export facilities. Regulations that cover LNG facilities are over 30 years old and inadequate.

BELLINGHAM, Washington [Jan. 29, 2024] – On Friday Jan. 26, The Biden administration announced it would pause all new export permits for Liquified Natural Gas (LNG) export terminals to further study the impacts these facilities have on energy costs and the environment. From a safety perspective, the Pipeline Safety Trust (PST) welcomes the cease in permitting as current regulations for LNG facilities are insufficient and out of date. PST regrets President Biden didn't acknowledge the valid safety concerns community members have continually shared about LNG export terminals in the official White House statement.

LNG facility safety is regulated by the Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA). It is PHMSA's job to ensure that the safety regulations it creates are strong enough to effectively protect our communities and the environment. In the case of LNG, PHMSA's current regulations fall short.

Current LNG regulations originate from a 1979 Congressional mandate intended for peak shaving plants, not massive export facilities. Peak shaving plants are used to increase reliability of energy and re-gasify LNG. Export facilities, on the other hand, convert methane gas to dense LNG, and pose unique safety risks compared to peak shaving plants. In the 2020 PIPES Act, Congress directed PHMSA to update its rules to account for the buildout of these new facilities, but PHMSA has yet to act. Given recent LNG export facility failures such as the 2022 explosion at Freeport LNG in Freeport, Texas, it is imperative LNG safety regulations are modernized before new export facilities are built.

Importantly, PHMSA is prevented by Congress from adopting design and construction standards that apply to existing facilities. The pause in permitting is especially important to ensure that any new facilities are built with more appropriate safety standards. However, without further

Congressional action, PHMSA is unable to apply any new design and construction safety standards to existing export facilities. And given the number of export facilities under construction, it's imperative that PHMSA finalize new regulations as soon as possible.

Until the fracking boom of the mid-2000s, the United States did not produce enough natural gas to consider exporting LNG. The first US LNG export facility was not built until 2016. Congress has mandated PHMSA to update its LNG safety regulations twice: once in the PIPES Act of 2016 and again in the PIPES Act of 2020. According to PHMSA, it expects to publish a first draft of these new regulations by May 2024, though it is unknown when the rule would go into effect.

"LNG export facilities pose unique safety risks that the current federal standards, written before these facilities existed in the US, do not address," PST Executive Director Bill Caram said. "For example, not accounting for the release of chemicals involved in gasification leaves our front-line communities at risk, as we saw in Freeport, TX in 2022."

According to the Biden administration, the freeze will stall approvals for around 10 projects that have yet to receive permits, including the highly contested CP2 project slated to be built on Louisiana's coastline in Cameron Parish. During the pause, a review will be administered by the Department of Energy's National Labs, upon completion results will be available for public comment.

Caram adds, "Congress has recognized the dangerous regulatory gap with LNG export facilities, and we hope the pause in permitting allows PHMSA to fulfill its Congressional mandate before any more are built."

What is liquified natural gas (LNG)?

LNG is natural gas that has been refrigerated until it reaches a dense, liquid form that can later be re-gasified to use in a variety of different facilities. The main reason companies liquify natural gas is its dense phase makes it easier to transport larger quantities to areas that are normally inaccessible via pipeline transport.

What are peak-shaving plants?

LNG is transported and then dispensed into storage tanks at what is known as either a "starter station or containerized station." Following storage, the LNG can be accessed, re-gasified, and then injected into companies' natural gas distribution systems to help in times of high demand, a process also known as peak-shaving.

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About Pipeline Safety Trust: The Pipeline Safety Trust is a nonprofit public watchdog promoting pipeline safety through education and advocacy by increasing access to information, and by building partnerships with residents, safety advocates, government, and industry, that result in safer communities and a healthier environment.