



Meeting Date: 04 15 2008

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input checked="" type="checkbox"/> Info Consent
<input type="checkbox"/> Ord. No(s). _____	<input type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input type="checkbox"/> Public Hearing (Info consent)
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other

Prepared By: Cynthia Daniels, AICP *cd*

Agenda Item No. I-1

Reviewed By: City Manager *[Signature]*

City Attorney *Gilg*

Finance *SW*

Other NA

**DATE:** April 8, 2008

**TO:** City Council

**FROM:** Martin R. Erickson, Legislative Affairs Manager  
City Manager's Office *[Signature]*

**SUBJECT: Opposition to Off-Loading of Liquefied Natural Gas (LNG) Within Sea Range for Naval Base Ventura County (NBVC)**

**RECOMMENDATION**

Adopt a resolution opposing Woodside Energy, Inc.'s preferred off-load site at the Point Mugu Naval Sea Range for LNG and authorize the City members of the Regional Defense Partnership for the Twenty-First Century (RDP-21) and the City Manager to express the City Council's opposition to this proposed site before any and all governmental or regulatory bodies or other agencies taking comments on the issue.

**DISCUSSION**

A proposal to establish an offshore LNG terminal was submitted to the United States Coast Guard by Woodside Energy, Inc. (Woodside). If deemed complete, the proposal will be subject to the normal public review and public comment process, and also be subject to review by the California Energy Commission.

The applicant's preferred alternative for the off-loading location presents an undesirable encroachment upon the activities and interests of Naval Base Ventura County (NBVC), as well as an impediment to the proper functioning of the Point Mugu Naval Sea Range. RDP-21 is requesting opposition only to the preferred off-loading location alternative, not to the entire proposal. The other alternatives for off-loading LNG do not encroach upon the 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. Councilmember John C. Zaragoza is the appointed member of the RDP-21, and Councilmember Andres Herrera is the alternate.

There are at least two proposals for bringing LNG to this area. The Woodside "Oceanway" proposal is unique because it would involve open ocean ship-to-ship transfers of LNG from large tanker transport

vessels to smaller ships, called coastal lighters, which would carry the LNG to a coastal area terminal for off-loading either offshore or onshore. 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 estimates it will conduct 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 on the open ocean directly in the heart of the Sea Range, the primary West Coast site for naval weapons testing and evaluation. RDP-21 believes 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. The scheduling of tests could be difficult, including the resulting weather-related delays, around 80 days of off-loading LNG from the tankers to the coastal lighters.

NBVC, of which the Sea Range is an integral part, represents in excess of two billion dollars to the regional economy annually and provides 17,000 jobs to county residents. Many of these jobs are highly skilled and well-paid scientific and engineering jobs. The Sea Range is a critical element required for the United States Navy to perform vital functions in weapons systems development and testing. Any project that could compromise its ability to do the job for which it was established would threaten the viability of the NBVC in any future consideration of potential base closure. This proposed site for the LNG project is not in the best interests of the region and its approval would encroach upon NBVC or compromise its future viability.

## **FINANCIAL IMPACT**

None.

ME:CD:lal

Attachment #1 - Draft Resolution

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD OPPOSING WOODSIDE ENERGY, INC'S "OCEANWAY" PREFERRED ALTERNATIVE TERMINAL LOCATION TO OFF-LOAD LIQUEFIED NATURAL GAS (LNG) WITHIN THE POINT MUGU NAVAL SEA RANGE AT NAVAL BASE VENTURA COUNTY

WHEREAS, the City of Oxnard is a member of the Regional Defense Partnership for the 21<sup>st</sup> Century (RDP-21); and

WHEREAS, RDP-21 recommends the City Council adopt a resolution opposing a proposal to establish an offshore liquefied natural gas (LNG) terminal submitted to the United States Coast Guard by Woodside Energy, Inc. (Woodside); and

WHEREAS, if deemed complete by the United States Coast Guard, the proposal will be processed through the normal public review and public comment process, and will be subject to review by the California Energy Commission and additional reviews will be required by other agencies and other opportunities may arise for public comment in additional forums; and

WHEREAS, the proposal is unique because 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. 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. Woodside's preferred location for this transfer is STS-1 in the heart of the Point Mugu Naval Sea Range. The re-gasification of the LNG could occur either aboard the coastal lighter, during the transfer process, or at the terminal; and

WHEREAS, Woodside estimates it will conduct approximately 65 transfers of LNG annually requiring 30 hours per transfer to complete, cumulatively 80 days or more with free-drifting vessels in the designated transfer zone. The Sea Range is critical for the United States Navy to perform vital functions in weapons systems development, testing, and training. Any project that could compromise the Sea Range would also threaten the viability of Naval Base Ventura County (NBVC) in any future consideration of potential base closure; and

WHEREAS, the best interest of the national defense or the City of Oxnard is not furthered by any LNG project approved that would fundamentally encroach upon the NBVC or compromise its future viability; and

WHEREAS, NBVC represents in excess of two billion dollars to the regional economy and provides 17,000 jobs to Ventura County residents and many of these are highly skilled and well-paid scientific and engineering jobs.

NOW, THEREFORE, the City Council of the City of Oxnard resolves to oppose the Woodside Energy, Inc's "Oceanway" STS-1 Alternative of its liquefied natural gas terminal proposal as currently submitted to the United States Coast Guard. The City Council specifically opposes the use of the ship-to-ship transfer point designated as STS-1 and authorizes its City representatives to express its opposition before any and all governmental or regulatory bodies or other agencies or organizations demonstrating an interest in or concern with the issue.

PASSED AND ADOPTED THIS 15th day of April, 2008, by the following vote:

AYES:

NOES:

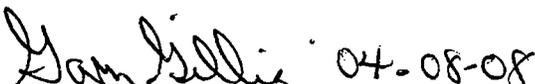
ABSENT:

\_\_\_\_\_  
Dr. Thomas E. Holden, Mayor

ATTEST:

\_\_\_\_\_  
Daniel Martinez, City Clerk

APPROVED AS TO FORM:

 04-08-08  
\_\_\_\_\_  
Gary L. Gullig, City Attorney