# Use LNG to ease ratepayer costs - Hawaii News - Honolulu Star-Advertiser



## Use LNG to ease ratepayer costs

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Ongoing talks about a shared military-civilian operation to import liquefied natural gas sound promising, as long as the anticipated economic benefits are broadly shared.

The most encouraging development in Hawaii's LNG exploration is the partnership that is forming between Hawaiian Electric Co. and the Navy. Preliminary plans call for a near-shore floating terminal at Joint Base Pearl Harbor-Hickam. From here, according to officials of the Navy and the utility, LNG would be offloaded from ships, converted back to a gas and piped to HECO plants, where it could replace oil as the fuel firing electric generators.

The Navy stands to benefit from cheaper electricity generation, and has supported further study of the plan, including an environmental impact statement. The advantage of this partnership is that the site of the unloading-processing facility would be more secure than alternative locations and that some of the infrastructure costs would be borne by more than one entity.

That's why the state administration has rightly urged discussions, underway now, among all interested parties. These involve HECO, the state Department of Business, Economic Development and Tourism, and Hawaii Gas, a utility with a statewide customer base that has its own plans for LNG imports.

These talks, as well as the movement on the Navy project, also should prompt the state Public Utilities Commission to accelerate consideration of the Hawaii Gas proposal for small-scale LNG imports serving its existing customers. The more that all these issues and separate initiatives are coordinated, the less likely unwarranted and duplicative expenses will be taken on and added to the ratepayer's burden.

The state has adopted a measured, rational policy about the addition of LNG to Hawaii's energy portfolio. The fuel "holds promise as a transitional fuel on a limited scale, if it can be deployed at a true cost savings," according to the state's energy policy directives.

The term "transitional" needs to be underscored. Liquefied natural gas does not further the goals of expanding renewable, "green" energy. It is a fossil fuel that burns more cleanly than the oil that now dominates Hawaii electricity production, but it's not uncontroversial.

For one thing, environmentalists here say it's a distraction from the drive toward those energy goals. Nationally, others cite a recent study that suggests methane leakage at LNG wells has a greater-than-expected heat-trapping effect in the atmosphere. The sum effect nationally, they argue, would offset its benefits over dirtier burning fuels.

And there's worry that hydraulic fracturing ("fracking"), the extraction technology, is a threat, especially to groundwater resources.

The Obama administration this week tightened control over the use of diesel as one of the fluids injected underground to fracture shale rock and release the gas. That is an important step toward regulating the practice, but only the first step.

Hawaii officials should regard the prospects for LNG with clear eyes, as an alternative that offers some advantages over burning oil. The actions in Hawaii's small market can't make much of a dent in industry decisions that will be made nationally. In the meantime, Hawaii could use a fuel as a cleaner-burning replacement for oil.

Above all, LNG would save the energy sector 40-50 percent of its costs when compared to oil, according to a 2012 state-commissioned study. Assuming this savings is passed through to customers, this would be a boon to the whole economy.

State officials have promised to stay focused on expanding the portfolio of renewable energy, and clearly officials must be held to that pledge. But on the course toward a green future, it makes sense to explore a path that offers some relief to consumers in the present.