

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE
Revised

House Bill 927

(Prince George's County Delegation)

Environmental Matters

Finance

Prince George's County - Liquefied Natural Gas Storage Facilities
PG 415-06

This emergency bill prohibits the Prince George's County District Council from approving a special exception allowing property to be used for the construction or operation of a liquefied natural gas (LNG) storage facility without a three-fourths majority vote.

The bill applies retroactively to any application for or permit issued for an LNG facility on or after January 1, 2005.

Fiscal Summary

State Effect: None.

Local Effect: The bill is not expected to directly affect Prince George's County finances.

Small Business Effect: Potential minimal.

Analysis

Current Law: While State law does not require the Public Service Commission to approve the construction of an LNG facility, under a memorandum of understanding with the federal Department of Transportation, PSC does pre-approve facilities as meeting federal regulations. PSC has adopted State regulations to ensure, to the greatest extent

practicable, the operational safety of LNG facilities. PSC is also required to periodically inspect each LNG facility to ensure compliance with regulations.

Background: According to the Federal Energy Regulatory Commission (FERC), LNG is a natural gas that has been supercooled to a liquid at -260°F, thus reducing its volume more than 600 times. LNG is stored at more than 100 facilities in the United States. According to FERC, LNG is stored in double-walled, insulated tanks designed to prevent any gas from escaping. In addition to the double-walled tank, FERC reports all new LNG facilities are required to have a dike or impounding wall surrounding the facility which would be capable of containing the tank's volume.

Washington Gas would like to build a 12 million-gallon LNG storage facility in Chillum near the West Hyattsville Metro stop in Prince George's County. Concerns have been raised by area communities and leaders regarding the safety of locating an LNG facility at that site. Some safety reports have shown that, in a worst case scenario, an LNG fire could cause second degree burns up to 1.3 miles away.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Prince George's County, Maryland Department of the Environment, Public Service Commission, Office of People's Counsel, Department of Legislative Services

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