

Why Importing LNG is a Bad Idea

The government just announced that it has shortlisted two providers to build an LNG import facility at Port Taranaki. It aims to sign a deal this year. It is a bad idea.

1. The low probability but high impact fatality and injury risks and consequences of an LNG facility at Port Taranaki are unacceptable to residents.

At the Port Kembla LNG facility in NSW, the worst-case scenarios of a flash fire extend to nearly 2 km and toxic odorant effects out to 2.5 km. There are ten schools and childcare centres within 2 km of where the facility may be sited. Most of the New Plymouth hospital and more schools are within 2.5 km.

2. An 'enabling legislation' would bypass normal process, allowing the LNG facility to be built and operational by 2027 or early 2028.

Such a rushed process would not allow proper safety risks and environmental impact assessment or public consultation. The government has yet to figure out how to pay for the \$1-\$2.7 billion facility. Clearly there will be a cost burden on New Zealanders. This is imprudent and unfair.

3. LNG import would expose NZ to volatile fossil fuel markets, resulting in disruptive gas and electricity costs.

The world is becoming more unstable. Asia LNG prices have jumped 143% since the US-Israeli war with Iran began in February, the second major spike in four years. The current electricity market structure means that this expensive gas would set the price of wholesale power most of the time.

4. LNG import would prolong NZ's reliance on fossil gas and emissions.

This is counter to our climate commitments.

5. There are far better alternative solutions to the 'dry year' risk.

This risk is declining with increasing adoption of solar, batteries, geothermal and wind. Shifting energy demand off peak, accelerating renewable energy generation, conservation and storage, and investing in seasonal firming technologies are cleaner, cheaper and more empowering alternatives for communities.

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