LNG Facility Siting, Risk, and the Public

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PHMSA LIQUEFIED NATURAL GAS WORKSHOP

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Regulatory Framework

Basis of Siting

Type of Regulation

Public Participation

Basis of Siting

Precautionary

Probabilistic Risk Assessment

Public Consent

Type of Regulation

Prescriptive standards

Performance standards

Other types of standards

Public Participation

Standard-setting organization

Regulatory hearings or comment periods

Robust and early partnership with public

Current LNG Siting Framework

Precautionary basis, using a worst-case scenario

Prescriptive method and outcome

Public participation in FERC process
◦ But not for intrastate facilities governed by PHMSA

Advantages and Disadvantages

Advantages
- Errs on the side of caution
- Privileges safety over cost
- Tailored to potential consequences of facility

Disadvantages
- Doesn't engage (or in some cases involve) public

Risk-Based Siting Framework

Probabilistic risk assessment, based on protocols

Performance-based mitigation measures
◦ But method is prescriptive

Public involved through standard-setting organization

Advantages and Disadvantages

Advantages
◦ Creates flexibility for mitigation options

Disadvantages
◦ Relies heavily on correct analyses
◦ "Tolerable" individual and societal risk determined without fully engaging public
◦ Difficult to enforce

The Developmental Stages

All we have to do is...

(1) get the numbers right

(2) tell them the numbers

(3) explain what we mean by the numbers

(4) show them that they've accepted similar risks in the past

(5) show them that it's a good deal for them

(6) treat them nicely

(7) make them partners   B. Fischhoff (1995)

A Third Way

Set acceptable risk through public hearings and notice-and-comment rulemaking

- ◦ Could also be negotiated in public consent process

Broaden standards to include other types, such as liability and/or bonding requirements

Engage public as partner