

Resolution Encouraging the Use of Risk Assessment Approach to Provide Comprehensive Information on LNG Facility Safety

WHEREAS, Current federal regulations in 49 CFR, part 193 and the NFPA 59A Standard are very prescriptive and are inflexible in allowing alternative safety mitigation considerations for LNG facility siting without applying for a special permit; *and*

WHEREAS, The types and sizes of accidental releases to be evaluated are prescribed and no deviation is allowed; *and*

WHEREAS, Without the consideration of a spectrum of events, their likelihood of occurrence and the resultant consequences, it is impossible to design proper mitigation actions or emergency response procedures; *and*

WHEREAS, The benefit of knowing and preparing for a properly evaluated “most likely event” scenario is the resultant proper application of economics and personnel resources of the emergency responders; *and*

WHEREAS, The U.S. Department of Transportation (DOT) already uses risk-based “Pipeline Integrity Management” procedures to ensure public safety from accidental gas releases from interstate pipelines; *and*

WHEREAS, The DOT is interested in extending this risk-based philosophy to evaluating (and potentially enhancing) the safety of LNG facilities; *and*

WHEREAS, The NFPA LNG Standards Committee recently approved the inclusion in its 2008 edition of the Standard an alternative standard to perform a risk analysis-based on safety evaluation of an LNG facility; *and*

WHEREAS, A risk assessment approach to evaluating the safety of an LNG facility provides a balanced determination of the real danger to which the surrounding population may be exposed and comparing the existing risks to which the population may be subject; *and*

WHEREAS, Such a risk-based assessment could provide the State regulatory agencies the means to better understand and enforce required mitigation procedures (either with in-built hardware, active mitigation response action by the operator, or the emergency response by the local public safety authorities) for critical infrastructures; *and*

WHEREAS, Such information could also result in the proper application of the scarce economic resources of the local community, the public safety departments or of the State; *now, therefore, be it*

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners, convened in its 2008 Winter Meetings in Washington, D.C., recommends that the Pipeline and Hazardous Materials Safety Administration (PHMSA) of the U.S. DOT initiate steps to evaluate and develop alternatives and risk-based regulations as a supplement to its existing LNG facility siting regulations; *and be it further*

RESOLVED, That NARUC also recommends that the PHMSA and its State partners of National Association of Pipeline Safety Representatives (NAPSR) perform, as a part of the above steps, such appropriate research and other activities as may be needed, including but not limited to, comparative analyses of alternative (including the Risk-Based Alternative Standards approach approved by NFPA's LNG Standards (59A) Committee), public workshops, and other studies.

Sponsored by Committee on Gas

Adopted by the Board of Directors February 20, 2008