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IS THE PALOMAR PIPELINE ON HOLD?

A synopsis of Palomar's delay and links to key resources

Ever since NorthernStar announced its bankruptcy and the subsequent demise of the Bradwood LNG Terminal, Bark has been asked over and over, *What does this mean for the Palomar Pipeline?* NW Natural, one of two partners in Palomar Gas Transmission LLC, has claimed that there is no impact and furthermore it has publicly claimed that there is no link between LNG and the Pipeline.

This claim is false. The Palomar Pipeline was, and is, integrally linked to the Bradwood Landing LNG Terminal. Legally the relationship was formalized by a binding contract between NorthernStar and Palomar that guaranteed rights to transporting gas from the LNG terminal. NorthernStar's bankruptcy has left it with a \$7 million debt to NW Natural (i.e. Palomar) and this financial hurdle was recently cited by Palomar in its letter to FERC describing reasons for current delay.

Additional evidence that the Palomar Pipeline's foundation is weaker than the public is being told:

1. A second LNG terminal provides a second chance for Palomar to be the primary transporter of imported LNG. But environmental groups Bark and Oregon Chapter Sierra Club filed an appeal to the state of Oregon **requesting reconsideration on the Oregon LNG lease**. The Oregon LNG lease on the Skipauna Peninsula is the other LNG terminal that Palomar could connect to for gas supply. Their lease, however, has been tenuous and now faces significant legal challenge. [More on this by clicking here.](#)
2. Development of domestic gas pipelines has shaken the game board. Besides LNG development, domestic gas suppliers have been adding their own speculative projects. The Federal Energy Regulatory Commission (FERC) **approved the permit for the Ruby Pipeline**, which would connect Wyoming gas to West Coast markets, in April of this year and has indicated that construction will begin this summer. [More information on this by clicking here.](#)
3. Palomar has been up against a long list of environmental laws preventing the kind of impacts proposed by the pipeline corridor. In March 2010, after several requests by the US Fish & Wildlife, Palomar submitted an update on their impact assessments for species listed under the Endangered Species Act. They confirmed that consultation would likely be needed for endangered and

threatened fish species, as well as terrestrial species such as northern Spotted Owl, Marbled Murrelet, and Columbia White Tail Deer. **The environmental mitigation price tag continues to grow with each report.** [Palomar's report is posted here on the web.](#)

4. Opponents to LNG development have been demanding that tax dollars not be wasted on continual use of agency resources for frivolous permitting schemes. Just weeks after the Bradwood bankruptcy news, the **US Forest Service moved the Palomar Pipeline to an “on hold” status in their project listings.** This status indicated that the agency is no longer giving specialist support to the NEPA analysis for the Palomar Pipeline. Just as the Oregon DEQ ceased work on the Bradwood LNG Terminal, the US Forest Service is also acknowledging the wastefulness of staff resources on a project that is leading nowhere. [US Forest Service project page is here on the web.](#)

On July 6, 2010, Palomar Gas Transmission, LLC submitted a notice to the FERC finally acknowledging after months of denial, that NorthernStar has been a “major shipper” for the Palomar Pipeline and that they are now “seeking additional commercial underpinnings” for the project. They have told the FERC that they may “resume” review of the project when Palomar returns to them with changes to the project at the end of the year. [The letter can be viewed here on the web.](#)

Over four years ago, Palomar asserted that their schedule intended to begin cutting trees on the pipeline corridor in the summer of 2010. As this project stands, Palomar is not even close to completing their environmental impact statement, let alone beginning construction of this controversial, legally vulnerable proposal. Their extended pursuit for permits and continued impact on thousands of landowners whose lives have been on hold for nearly four years has become an unethical abuse of our state resources.

Some Press coverage of the Palomar delay:

Blue Oregon coverage: [Palomar LNG Pipeline Indefinitely Delayed](#)

KGW TV footage: [Columbia River Gas Pipeline on Hold](#)

Daily Astorian story: [Is the Palomar Gas Pipeline on Hold?](#)