



# The Need for Effective and Fortright Communication Planning for LNG Facility Siting: A Checklist for State Public Utility Commissions

Presented to the National Association of Regulatory Utility Commissioners

2005 Summer Meeting Austin, Texas

Presented by Tony Silva, Vice President, Strategic Communications

July 25, 2005

ICF Consulting.<sup>SM</sup> Powered by perspective.<sup>SM</sup>  
Industry knowledge. Distinguished professionals. Innovative analytics.



---

---

# Responding to a Communication Need



- Report aims to assist in the education of critical energy decision-makers on the opportunities and impediments related to the increased development of LNG resources
  - Provides overview of the role and importance of effective and forthright communications
  - Offers lens to examine lessons from recent LNG siting and expansion proposals
  - Presents a checklist for commissions

---

---

# Different Perspectives, Different Approach



- Report presents case studies developed through literature review, in-depth interviews
  - Seth Kaplan: Clean Energy & Climate Change Program Director, Conservation Law Foundation
  - Bill Powers: Chair, Border Power Plant Working Group
  - Edward Lambert: Mayor, Fall River, MA
  - Tonia Reyes Urgana: Councilwoman, Long Beach, CA Seventh District
  - Jack Sylvester: Member, Yes! For Harpswell's Future
  - Gordon Weil: Selectmen, Harpswell, Maine
  - Jim Merryman: Member, Fishing Families for Harpswell
  - Staff from the office of Representative Ed Markey
  - Mayor Peter LaValle: Mayor, Eureka, CA
  - Keith Meyer: Senior Vice President, Cheniere & President of Cheniere LNG, Inc.
  - James Grasso: President and CEO, Grasso Associates, LLC & Spokesman, Weaver's Cove Energy
  - Anne Bomar: Managing Counsel, Gas Transmission and Storage, Dominion
- Report leverages lessons learned from gas pipeline planning

---

---

# What's Inside?



- Case Studies:
  - Learning From a Failed Siting: Lessons from Harpswell, Maine
  - Learning From Success: Cheniere Energy's Approach to Siting
  - Lessons from a Proposed Expansion at Cove Point, Maryland
  - Turbulence at Fall River, Massachusetts
  - Examining Opposition in California

---

## Lessons from a Failed Siting: Harpswell, Maine

- Rejected by town's citizens who collectively act as municipal legislature
- Offers insight on communication from proponents and opponents
  - Selectman
  - Yes! For Harpswell's Future
  - Fishing Families for Harpswell

---

---

# Harpswell Perspectives: Fishing Families for Harpswell



- “The developer’s entire message surrounded money. But I never saw any information that would lead me to believe that this project would result in financial gain in the future.”
- “Many of the fishermen came together because we were very concerned not only about our livelihood on the water, but for the safety of our families. We agreed that we needed to get our own information to find out if LNG was safe. I talked to people in California and Alabama where they had rejected facilities or were in the process of looking at them and rejecting them.”

---

---

# Harpswell Perspectives: Yes! For Harpswell's Future



- "I think the developers should have engaged the many citizen-stakeholder groups more fully and dynamically. I was dismayed at how incompletely the economic benefits of the lease were analyzed and presented. Many citizens did not understand the most essential details of the complex, but well-crafted lease, the magnitude of its benefits, and the many positive ways it could have influenced community life over the years."

---

---

# Harpswell Perspectives: Selectman Gordon Weil



- “I think the problem was that the stakeholder rep was not brought into the counsels of the company and therefore did not know what was going on in the negotiations and sometimes provided misleading information or incorrect information.”
- “I think that it [public relations] was a notable failure. They were not ready at any time to put forth a campaign when they should have been. By the time they got to doing it the matter had been scheduled for a vote. It was somewhat misdirected and certainly too late.”

---

---

# Harpswell Perspectives: Selectman Gordon Weil



Opinion Editorial From LNG Express, June 2004

- What lessons should developers learn from Harpswell?
  - Do not assume that money alone will bring support. Pay attention from the outset to the environmental and social impacts. Saying that FERC will impose protective conditions is not enough.
  - Be responsive and quick to respond. By dragging matters out, you allow opposition to develop.
  - Make sure you have good information about proposed sites. Opinion polling before action is worth much more than polling after the proposal has been made.
  - Find local leaders, outside of government, who will play an active role in your campaign.
  - Give negotiators the authority to make a deal. If matters have to be referred back to corporate headquarters, delay and frustration result, and the local people can come to feel that they have to negotiate each issue twice.

---

---

# Harpswell Perspectives: Chris Duval



- Project team won support of civic leaders, including the governor
- Agreeable to take as long as necessary to discuss the issue
- Many of the project details were in place by the time of the public announcement
- Developers spent \$500-750K, opposition spent \$150K

---

---

# Report's Findings, Recommendations



- Stakeholders and problem areas must be identified and addressed
- Outreach must be early and planned
- Outreach must reflect organization, preparedness, and forthrightness
- Commitment to the process must be inherent to the outreach

---

---

# Identify Stakeholders and Areas of Concern



- Identify and contact government and elected officials, community leaders, environmental organizations, community organizations, and potential champions and opponents
- Leverage their understanding of the community and the best ways to communicate with and address concerns of the community
- Identify landowners and others in close proximity to the proposed terminal site
- Identify local opinion leaders
- Identify all potential problem areas and become educated about the community
- Identify popular outlets and methods for reaching target audiences

"The developer must clearly identify to the community a local need for LNG and a benefit from the project to the community."

–James Grasso, Weaver's Cove Energy.

---

---

# Develop a Communication Plan



- Present the situation analysis
- ID specific barriers
- Establish, articulate goals
- ID your audiences
- Set a strategy
  - How will you achieve your goals?
- Develop key messages
  - They should be clear, straightforward, and verifiable
- Use effective outreach tools and methods
- Develop a timeline for execution
- Measure and modify

“As a pipeline developer, I think a critical first step is to know what we plan to do before we announce it, because we tend to get ahead of ourselves a bit. Otherwise you’ll generate confusion, and people will feel misled.”

–Anne Bomar, Dominion Resources, Inc.

---

---

# Be Organized, Prepared, and Proactive



- Address all safety and security concerns up front
- Be first to engage priority stakeholders and engage them simultaneously
- Be accessible and available to respond to questions and concerns
- Coordinate efforts with proponents
- Provide information about the success of LNG's history throughout the world

"What I do know is that most people, myself included, were perturbed that there had been discussions about it for an extended period of time, over six months, before it became public."

–Peter La Vallee, Mayor,  
Eureka, California

---

---

## Demonstrate Commitment to Community Involvement and Education



- Develop project teams in the community
- Project teams should be knowledgeable of the status of the project, aware of all aspects of the site and application process, and prepared to deliver messages consistently
- Commit to providing updates to local officials, including the regulatory process: what comes next, when it will happen, and what can be expected
- Update on a regular basis

“Communities need to be assured that all stakeholders are involved in the project, and not just the individuals who stand to benefit from the LNG import facility.”

–Bill Powers, Border Power Plant Working Group

---

---

## Demonstrate Commitment to Community Involvement and Education



- Be forthright. All impacts should be presented
- Localize outreach. Enlist local businesses and individuals to deliver messages and information to the community
- Let a public news event be hosted prior to the media's coverage of the project
- Look for ways in which assistance can benefit the community, such as funding the preservation of a landmark
- Coordinate and cooperate with FERC to provide validation for the project

"If you don't have a relationship with the community and you try to come in and do something, then (the community is) going to go to the people that they know ... they're going to believe the person that they know, not the person they don't know."

–Tonia Reyes Uranga,  
Councilwoman, Long Beach,  
California

---

---

# Final Thoughts



- Success can be judged by the ability of communications to improve understanding
- Better understanding is a prerequisite but not a guarantee for change in behavior
- Good communication is a must, but cannot always ensure a broad audience