

# PACIFIC BUSINESS NEWS

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## LNG could work as transitional fuel for Hawaii

Liquefied natural gas would lower fuel bills on road to clean energy



Getty Images

*Tankers carrying liquefied natural gas from Alaska and the U.S. Mainland could become a familiar sight if Hawaii adopts LNG as a transitional alternative to oil.*

### **Joseph Saturnia, In My Opinion**

Controversy surrounds the proposal to permit the import of liquefied natural gas (LNG) to Hawaii. The goal is to replace the current high-cost, low-sulfur fuel oil with lower-priced LNG to power Hawaiian Electric Co.'s generation plants.

The state of Hawaii is exploring the benefits of bringing in this resource. In fact, one of the main proponents of this initiative was former Lt. Gov. and now U.S. Sen. Brian Schatz.

When the idea was put forward, many of the local environmental groups opposed it. These organizations argued that bringing another fossil fuel, such as LNG, would be a step backward in the state's goal of 70 percent renewable energy by 2030. They also fear that LNG's lower cost will have such a dramatic effect on our electric bills that the demand for renewable energy will be reduced.

I believe LNG is the best option available to the people of Hawaii to both lower our cost of electricity and transition to a renewable future. LNG represents a tremendous opportunity, both economically and environmentally, that we should take full advantage of.

As has been well-documented in the press over the last year, there are 150 years or more of natural gas resources available just in the United States alone. There is enough natural gas in the United States to meet domestic needs long into the future.

Not only is natural gas abundant, it is more environmentally friendly than oil. Natural gas is the cleanest of all the fossil fuels, producing much lower levels of carbon dioxide and very small amounts of nitrogen dioxide and sulfur dioxide. Burning natural gas in the place of low-sulfur fuel oil and coal reduces the emission of harmful pollutants.

Natural gas costs less than low-sulfur fuel oil. The price differential between LNG and the fuel oil we currently use is huge.

The switch to LNG would require an investment in new infrastructure to distribute and generate electricity from LNG locally, but the economic incentive of using LNG is impressive. At current prices, switching to LNG would have a payback period of less than two years, and switching to LNG for our primary generation could lower our home energy bills by 30 percent.

And, if you are worried about what happens if the price of LNG goes up dramatically, we can always switch back to burning oil. LNG generation units are capable of running on multiple fuels.

It's no secret Hawaii has the highest electricity bills in the nation. Paying less for electricity not only means economic relief but also means more money to spend on local goods and services. And, as our local economists point out, every dollar we don't spend on oil is like adding three more dollars to our local economy.

It seems like a contradiction, but in practice, even though natural gas is a fossil fuel, it actually will allow us to add more alternative-energy sources to the grid. Newer LNG generation units can more easily adjust to the unpredictability of wind and solar than our old-fashioned oil-powered plants. The 1940s-era power plants HECO currently runs are not able to react as fast as newer plants when the skies are cloudy or the wind dies down.

LNG is not the final solution to our renewable-energy objectives. However, it is an ideal transitional technology. I believe it will help us reach our renewable-energy goals by 2030.

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