**R-39** 

Date:

March 20, 2007

To:

Honorable Mayor and City Council

From:

Vice Mayor Bonnie Lowenthal, First District Councilmember Patrick O'Donnell, Fourth District

Subject: Port Esperanza Project

Esperanza Energy has recently announced plans to move forward with a new Liquefied Natural Gas (LNG) project. The project, which would be called Port Esperanza, would be a floating LNG receiving facility. The possible facility would be located 15 miles off of the coast of Long Beach, and utilize a subsea pipeline to transport gas to the shore. This potential project could have significant economic and environmental impacts, including new jobs and more use of natural gas, increasing local use of cleaner-burning energy. As Esperanza Energy moves forward in development, the Council and the public should be informed as to the specifics and scope of the project.

In the interest of planning, public safety and the potential effects stated herein, a report should be brought back to Council on the status and details of Esperanza Energy's Port Esperanza project.

Recommendation: Request the City Manager to return to the City Council within sixty (60) days with a report on the status of the Port Esperanza LNG facility project.