

AGDC meets with FERC to review what's needed to stay on schedule

By Larry Persily paper@alaskan.com

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The state corporation in charge of developing the Alaska LNG project already has submitted its first round of answers to questions posed three weeks ago by federal regulators preparing the project's environmental impact statement. The response came as the Alaska Gasline Development Corp. (AGDC) is looking for the Federal Energy Regulatory Commission (FERC) to stay on schedule for its release of the project's draft impact statement in February 2019.

State project team members met with federal regulators last week to discuss the timeline and seek clarification on specific items among the almost 200 data requests presented by FERC on Oct. 2. AGDC submitted several hundred pages of answers and data on Oct. 22, with another round expected by Nov. 19.

AGDC asked FERC staff at the Oct. 18 meeting in Washington, D.C., if the corporation's timeline for responses would be sufficient to maintain the environmental impact statement (EIS) schedule. That will depend, commission staff said, on whether the answers are complete or if they prompt substantial follow-up questions.

FERC and state project staff held a similar technical conference in March to review information needed for the EIS.

In addition to AGDC and FERC staff, the Matanuska-Susitna and Kenai Peninsula boroughs, along with the city of Valdez, sent representatives to the Oct. 18 meeting, as all three Alaska municipalities are advocating that the gas liquefaction plant and marine terminal be built in their community. All three have filed with FERC, pushing for the impact statement's alternatives analysis to consider their community. The site-selection debate, however, did not come up at the meeting.

In a more general discussion, FERC staff on Oct. 18 reiterated that the EIS will analyze each project alternative on three criteria: If it meets the project's needs; if it is economically and technically feasible; and if it provides an environmental advantage.

If the environmental review process stays on schedule, FERC plans to issue the project's final EIS in November 2019 — which would allow the full commission in February 2020 to grant authorization for construction. The state filed its application with FERC in April 2017.

The state proposes to build a \$43 billion project to pipe Alaska North Slope natural gas more than 800 miles to a liquefaction plant and marine terminal in Nikiski, on the eastern shore of Cook Inlet. In addition to FERC authorization, the state team is working to line up gas supply agreements with North Slope producers, contracts with customers for the LNG, along with

investors and financing for what would be the country's most expensive oil and gas project. Development funding, however, could run out late 2019 unless AGDC is able to find investors or the Alaska Legislature appropriates additional money.

Issues covered at last week's conference included FERC's Oct. 2 requests for:

- **More details on AGDC's plans for horizontal directional drilling (HDD) to install the pipeline beneath water crossings.** The state team reported it has not contracted with an HDD contractor and therefore cannot provide all of the clarifications requested by FERC. The type of equipment used, for example, might be specific to the contractor, AGDC said. Commission staff clarified that FERC is requesting a general plan with such information as HDD worker training, drilling monitoring, contingency plans, source of drilling water, and use of drilling mud.
- **More specific information on the pipeline's water crossings, including the proposed crossing method, width of the banks, fisheries habitat, and population, and whether any fish spawning occurs at the crossing or upstream.** AGDC said it has not visited every crossing — almost 450 along the project route — but it has aerial photos of each location. The state team asked FERC if it would be sufficient to list the areas where its information is incomplete. Commission staff said they need a consolidated table with each crossing, listing the construction method (such as open-cut trenches), and other details. FERC staff said the state team should send in what it has, even if there are information gaps.
- **More information on the project's potential impacts during construction and operation on surface water and groundwater.** AGDC said some of the information — such as the treatment, location and volume of water discharges — would not be known until a project construction contractor is hired. The state team said it could not anticipate water use and discharges by contractors it has not yet hired. Commission staff responded that AGDC is the project applicant and, therefore, ultimately responsible for environmental impacts. FERC staff explained they are particularly interested in any potential impacts on municipal water sources. AGDC answered that state law governs water use, with specific permitting requirements. FERC recommended AGDC submit information on the state permitting process and how the project would be held responsible for mitigating any impacts on water sources.
- **An updated groundwater monitoring plan for protecting public and private wells.** AGDC reported it is not working with individual land owners on a monitoring plan, though it has notified potentially affected landowners in the project's path. FERC suggested AGDC identify wells that could be affected by project construction and operation, explain exactly what information it has and where and why it is limited in some cases. FERC clarified that its focus on groundwater monitoring is not limited only

to construction camps but applies to the entire project. The state team said additional information would be available before the project's construction phase.

- **Cumulative impact estimates for sulfur and nitrogen emissions in sensitive areas at each compressor station along the pipeline route and at the LNG plant site west of the Kenai National Wildlife Refuge.** AGDC asked why FERC is applying a more stringent level of analysis for some federal lands than is required by the Clean Air Act. The state team noted that the U.S. Department of Interior had written to FERC, pulling earlier requests from department agencies for such analysis. FERC explained that in some cases it requires additional reporting beyond what is requested by other federal agencies. Commission staff recommended that AGDC make its case why it should not be required to model additional analysis of emission impacts on federal lands far from the direct emission source and FERC would consider it.

Issues addressed in AGDC's Oct. 22 filing with FERC included:

- A revised migratory bird conservation plan that addresses questions about vegetation clearing during construction, raptor surveys, and nest management.
- More information about AGDC's plans to use granular-fill work pads during construction, particularly in areas of thaw-sensitive permafrost.
- AGDC's response to the possibility of hauling dredged material — pulled from the seafloor to make way for the freight offloading dock at Nikiski — to beach-nourishment sites 40 to 60 miles away on the Kenai Peninsula. AGDC said using the material at distant sites would not be feasible, due to the time and cost of moving the dredged material. The project proposes disposal offshore, in nearby deeper waters in Cook Inlet.

FERC requests on the state's list for response by Nov. 19 include:

- Additional details on construction plans to lay concrete-coated pipe across 29 miles of the seafloor from the west side of Cook Inlet to Nikiski.
- A revised groundwater monitoring plan, providing "proposed avoidance, minimization and mitigation measures for potential effects on groundwater supply wells" near the pipeline and project sites.
- Further information on potential impacts on permafrost during and after construction.
- A table of all areas of thaw-sensitive soils along the pipeline route.
- Additional geotechnical and geophysical studies of the feasibility of trenchless pipeline crossings at specific waterways.
- An updated discussion of seismic risks to the project, reflecting the magnitude 6.4 quake that hit the North Slope in August.