FERC moves up Alaska project schedule 1 month

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The Federal Energy Regulatory Commission (FERC) on Aug. 31 moved up by one month its schedule for the Alaska LNG project's environmental impact statement (EIS) and commission decision.

FERC now expects to issue the project's draft impact statement in February 2019, instead of March, assuming the state-led project team provides "complete and timely responses to any future data requests" and cooperating regulatory agencies "provide input on their areas of responsibility on a timely basis."

The commission's Aug. 31 notice set Nov. 8, 2019, for issuance of the project's final EIS, a month earlier than the Dec. 9, 2019, schedule issued in March of this year. Under the revised timeline, FERC's deadline to decide on the Alaska Gasline Development Corp. (AGDC) application would be no later than Feb. 6, 2020, instead of the original timeline of March 8, 2020.

AGDC filed its application with FERC in April 2017. Commission authorization is required to build and operate an onshore natural gas liquefaction plant and export terminal in the United States.

The state corporation took over the project almost two years ago after North Slope oil and gas producers ExxonMobil, BP, and ConocoPhillips declined to proceed with spending the hundreds of millions of dollars required over the next couple of years on permitting and further engineering for the project. As proposed by the state, the $43 billion venture would pipe North Slope gas 807 miles to a liquefaction plant and marine terminal at Nikiski on the Kenai Peninsula.

The location of the LNG plant, however, is contentious, and will be considered in the federal EIS. The Matanuska-Susitna Borough has intervened in the FERC proceeding to promote its Port MacKenzie as a better site than Nikiski, and the city of Valdez also has filed as an intervenor in support of its community as a better option. The Kenai Peninsula Borough earlier this month told FERC that it, too, wants intervenor status to protect its interests.

The state-led project team is nearing the end of its work assignments from FERC, submitting more details Aug. 15 of project design and operations. The filing provided more information on:

- The project's preferred 3-mile route to relocate the Kenai Spur Highway around the LNG plant site for safety and security reasons.
- A noise analysis of the new Kenai Spur Highway route.

- Alternatives for routing several miles of the 42-inch-diameter gas pipeline just inside the eastern edge of Denali National Park and Preserve rather than running the pipe through a steep hillside outside the park boundary.
- Sediment transport modeling to help predict how open-cut installation of the gas pipeline across waterways could affect fish habitat in 11 anadromous streams selected by federal regulators for further review.
- Visual impacts at five selected sites along the pipeline route near Denali National Park and Preserve.
- Turbidity in Cook Inlet that would be stirred up by dredging — and disposal of dredged material — required for construction and operation of a barge landing and ship dock that would be used for offloading equipment at Nikiski.

In addition to fulfilling FERC’s data requests, the state corporation continues working toward possible gas supply agreements with North Slope producers, long-term sales contracts for the project’s output, financing and lining up investors for the venture, which would produce 20 million tonnes of LNG at full capacity.

AGDC expects to spend about $4 million a month of state funds during the fiscal year that started July 1. The corporation is planning what it calls its “equity road show” for later this year and early 2019 to introduce and promote the project with potential investors. Goldman Sachs and the Bank of China are assisting AGDC in that effort.