

FERC sends 63 pages of questions for LNG project

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With just four months to go before the scheduled release date for the Alaska LNG project's draft environmental impact statement, federal regulators on Oct. 2 sent almost 200 additional information requests to the state's project team.

The 63-page list includes questions about waterway crossings and temporary access roads for pipeline construction, avoiding damage to permafrost, protection of Cook Inlet's beluga whales, and further review of Port MacKenzie as an alternative to Nikiski for the gas liquefaction plant and marine terminal.

The follow-up questions arrived as the project team at the Alaska Gasline Development Corp. (AGDC) was nearing the end of responding to the initial round of more than 800 questions and requests for more information from federal regulators.

Such additional data requests are not unusual for the Federal Energy Regulatory Commission (FERC), which is preparing the single federal EIS for the proposed Alaska LNG development, which includes 870 miles of pipeline from Point Thomson to Prudhoe Bay to a gas liquefaction terminal in Nikiski on the eastern shore of Cook Inlet. The state is the sole applicant in the \$43 billion venture, trying to put together deals with LNG buyers in Asia, assemble partners to invest and lenders to provide financing — plus all the permits and authorizations.

AGDC is expected to introduce itself to potential investors late this year, followed by a more focused effort in early 2019. The state corporation has contracted with Goldman Sachs and the Bank of China to assist with finding investors and financing. AGDC could run out of state money in late 2019 unless the Legislature appropriates additional funding or the corporation can entice investors to start covering development costs.

The seven-member AGDC board, appointed by the governor, is scheduled to meet Oct. 11 in Anchorage.

FERC is scheduled to release its draft environmental impact statement (EIS) in February 2019, with a final impact statement in November 2019 and a commission vote on the state's project application in February 2020 — assuming the state submits all the material needed for the review.

"The enclosure includes several requests for information that have been made multiple times in the past for which an adequate response has not yet been received," FERC said in its Oct. 2 cover letter to the state. "You should be aware that the information described in the enclosure is necessary for us to continue preparation of the draft environmental impact statement. ... The forecasted schedule for both the draft and final

EIS is based on AGDC providing complete and timely responses to this and any future data requests,” FERC said in its standard cautionary note.

The letter asks AGDC to provide:

- An updated status list for all authorizations required to build the project, “including the actual or anticipated submittal and receipt dates.”
- Additional response to the Matanuska-Susitna Borough’s assertion that it has identified a better site for the LNG plant than the location reviewed — and rejected — by AGDC in its filing with FERC this summer. Federal regulators also asked the state corporation to further explain why it believes building at the borough’s Port MacKenzie would require one more construction season than Nikiski, about 65 air miles to the southwest. The borough has long promoted Port MacKenzie for industrial development.
- Plans to promote employment of Alaska Natives and other minorities during construction and operation.
- More information on interconnection points to the mainline for gas distribution in Alaska. AGDC has identified three of the five connection points long promised as part of the gas export project (Fairbanks, the Matanuska-Susitna Borough and Nikiski), but has not settled on the remaining two offtake points. “Provide the locations or an update on the other gas interconnections to be built within Alaska,” FERC asked, “(and) discuss the feasibility of including an interconnection to provide gas to the Denali Borough that could serve the communities in that borough as well as Denali National Park and Preserve.”
- Site-specific plans for each of 12 proposed gas line crossings of the trans-Alaska oil pipeline.
- Location and acreage for any temporary access roads that would be left in place after construction. AGDC has told FERC that access roads would be removed and the land restored after construction “unless the landowner or land management agency requests that the improvements be left in place.”
- A table of the 29 pioneer camps proposed during construction, including the location, current land use, camp size, number of workers at each camp, duration of use for that camp and land-restoration procedures.
- Discussion of how the pipeline construction techniques “would be similar and/or different” from the practices used in laying fiber optic lines in trenches along the Dalton Highway that resulted in permafrost thawing and environmental damages. The state is investigating the aftermath of the 2015-2017 telecommunications line construction from Prudhoe Bay to Fairbanks.
- Additional description of the impacts on permafrost during project construction and also long-term impacts, “including impacts on thermal equilibrium given the shift in soil makeup and the permafrost profile.”
- Further site-specific geotechnical information for proposed trenchless crossings at the Middle Fork Koyukuk, Tanana, Chulitna, Yukon and Deshka rivers. A trenchless crossing means drilling underneath the river and pulling and/or pushing the pipe through to the other side. In a May filing with FERC, the state team reported that further field work would be required to assess the feasibility of

trenchless crossings including, in some cases, drilling bores holes to determine soil conditions. “Provide a schedule as to when these additional geotechnical and geophysical studies will be completed and dates for when the revised trenchless feasibility crossing studies will be provided,” FERC asked Oct. 2.

- An explanation why the number of pipeline crossings of the Atigun and Dietrich rivers and temporary work areas between 166.2 and 168.6 miles south of Prudhoe Bay “cannot be reduced to minimize in-stream impacts and bank disturbance and destabilization,” FERC said. “As currently proposed, there are seven crossings of the Atigun River and three crossings of the Dietrich River.”
- Where and how the project would obtain water to build construction ice roads north of the Brooks Range.
- Additional information on the impact of ballast waters that LNG carriers would discharge as they arrive in Cook Inlet to load up at the LNG terminal. The ballast waters would be up to 25 degrees warmer than the ambient waters of Cook Inlet, AGDC reported to FERC in an earlier filing.
- An explanation of how AGDC’s proposal for 3.5 inches of concrete coating on the 42-inch-diameter pipe laid across the Cook Inlet seafloor to reach Nikiski would comply with federal regulations which require “that the top of the pipe is below natural bottom, unless the pipe is supported by stanchions, held in place by anchors or heavy concrete coating, or protected by an equivalent means.”
- A more detailed crossing plan for Cook Inlet that includes a description of how the strong currents could affect stability of the pipeline during construction and operation. “Explain if tidal and other flow currents would cause movement of debris and boulders across the pipeline,” FERC asked. And provide “a description of how the pipe would be anchored for tidal currents throughout pipe lay operations, especially in the near-shore transition areas ... (and) a description of how the concrete-coated pipe would be handled during pipe lay operation to ensure the pipe is not buckled or damaged due to weight and water currents.”
- What would AGDC do to reduce the risk of freshwater aquatic invasive species from equipment brought into the state for project construction.
- A list of measures AGDC would use to minimize impacts on Cook Inlet beluga whales during construction and use of the freight offloading dock in Nikiski. The corporation’s June 11 response to FERC “did not address part of our question on what mitigation measures were planned for construction ... and increased activity in the area ... used by Cook Inlet beluga whales for feeding, giving birth and raising young.”
- Plans for a new public road, parking and a public path to the beach during construction of the LNG plant in Nikiski. AGDC has told FERC it is considering building an alternate public access point south of the marine terminal to make up for its plan to block existing access to the beach.
- More information on AGDC’s plan to take 1 million gallons of water per day from the city of Kenai’s public water system to meet the LNG plant’s freshwater requirements, including the effect of the proposed withdrawals on the aquifer.

As with past requests from FERC, the state project team will start providing answers and a schedule for when it will complete the work.