

State still owes a lot of information to FERC, but no indication of change in EIS schedule

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Feb. 11, 2019

The Alaska Gasline Development Corp. (AGDC) has added to the list of information it will not submit to federal regulators until this summer, but there has been no indication that the absence of the mostly technical engineering data will delay the scheduled February release of the draft federal environmental impact statement for the proposed Alaska LNG project.

The Federal Energy Regulatory Commission (FERC) has not publicly amended its schedule for the project's draft EIS, though it has not designated a specific date in February. However, as of Feb. 11, a federal website that tracks pending regulatory work shows Feb. 28 as the "current target date" for the Alaska LNG draft. The tracking website, named FAST-41 for Section 41 of the 2015 law that created the multi-agency effort, is not legally binding on agencies.

Federal regulators have been working to prepare the draft EIS since the state in April 2017 submitted its application for the project to move North Slope gas down an 807-mile pipeline to a liquefaction plant and export terminal in Nikiski on the eastern shore of Cook Inlet.

The state-led project team on Feb. 4 responded to FERC's most recent request, answering a Jan. 15 letter for further detailed information on fire safety, spill containment safeguards, and hazard mitigation designs at the North Slope gas treatment plant, the liquefaction plant, and liquefied natural gas storage tanks in Nikiski. Addressing the remaining 81 requests for information, AGDC said it would provide the answers in four batches starting in April and running to July 26.

That information is in addition to 76 technical engineering data requests FERC raised in December, which the state team said it will answer in March, May, and June. Those requests cover specific engineering, safety, and emergency system designs at the gas treatment plant and LNG plant.

AGDC will need to complete all the work with a diminishing pot of money. The corporation had expected to end the state fiscal year on June 30 with \$15 million to carry it through the entire EIS process — FERC is scheduled to issue its final EIS in November — but Alaska's budget director said in January the governor wants to take back \$5 million from AGDC to help balance state spending.

The corporation was expecting to spend an average \$3.6 million a month during the first six months of 2019, drawing down its account balance to \$15 million by June 30 to carry it through to the end of the calendar year. Spending likely will slow down, however, as the corporation fulfills FERC's information requests.

Among the answers and data AGDC has said it will provide to FERC by March 1:

- More information about where the pipeline crosses active earthquake faults, including the hazards and estimated vertical and horizontal offsets of active faults.
- A more detailed route map of the 62-mile pipeline from the Point Thomson field to Prudhoe Bay and the pipeline from Prudhoe Bay to Nikiski showing all seismic hazards within 5 miles of the pipeline and “areas requiring special treatment of permafrost” within a quarter-mile.

An example of the technical nature of FERC’s questions is the request for additional information on the design of the piping on top of the LNG storage tanks in Nikiski and surrounding impoundment area for any tank spills, and more details on piping diagrams at the gas treatment plant at Prudhoe Bay. AGDC said it would submit those drawings in late June.

AGDC also owes federal regulators more information about the project’s 27-mile underwater pipeline crossing of Cook Inlet. AGDC on Dec. 7 told FERC it would need until September to fully respond to more than a dozen of the questions about the Cook Inlet crossing including:

- Will tidal flow and other currents move debris and boulders across the pipeline? And how much movement is expected, particularly during tidal currents?
- Does AGDC plan to use any additional weights or supports along the pipeline after construction to stabilize the line against tidal currents?
- Will concrete mats be used to protect the pipeline after it is set on the seafloor?
- Is there any site-specific geotechnical data to confirm that the bottom soil is firm enough so that the weighted 42-inch-diameter pipe “will not continue to sink,” placing high-strain loads on the pipe welds during construction and operations?

The state project team proposes to bury the pipe near shore as it enters the water on the west side of Cook Inlet near Beluga, lay the concrete-coated pipe on the seafloor across the inlet, then bury it as it reaches shore on the east side for the last 14 pipeline miles to the LNG plant.

It’s not unusual for FERC to continue asking for information as it works through its review — particularly engineering design questions about an LNG plant. Regulators can add information between the draft and final EIS.

After North Slope oil and gas producers ExxonMobil, BP, and ConocoPhillips pulled out of the project in late 2016 citing market conditions, the state has covered 100 percent of the development costs including regulatory approval at FERC.

A legislative audit presented to lawmakers in January showed that since AGDC was established in 2010, the Legislature has appropriated \$480 million for the corporation’s work on the Alaska LNG export project and the in-state-distribution-only Alaska Stand Alone Pipeline, a \$10 billion project its supporters have promoted as a backup if the larger development fails to go ahead.

The in-state line is closer to completing the regulatory process than the LNG project, but it, too, lacks any state funding to proceed past permitting.