

Public submits wide-ranging comments to FERC

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(This update, provided by the Kenai Peninsula Borough mayor's office, is part of an ongoing effort to help keep the public informed about the Alaska LNG project.)

About 60 individuals, citizen councils, nonprofits, Alaska Native tribal organizations, federal, state and municipal offices provided federal regulators with their lists of concerns they want to see covered in the environmental impact statement for the proposed Alaska LNG project. Public comment on issues to include in the EIS closed Dec. 4.

Most of the comments were suggestions on how to make the project better for the affected communities and the environment, such as protecting wildlife habitat, avoiding damage to wetlands and scenic views, providing affordable energy for Alaskans, and minimizing noise and lighting. Only a few comments — from outside Alaska — were opposed to any construction of a North Slope natural gas project.

Alaska comments came from property owners near the proposed liquefaction plant in Nikiski who are concerned about highway traffic, water wells and home values; and from Cook Inlet commercial, sport and subsistence fishing interests looking to ensure that construction and operations do not conflict with their access to salmon.

The Fairbanks North Star Borough wants the Federal Energy Regulatory Commission to look at why the pipeline isn't routed closer to serve the community as it runs south from the North Slope; and the City of Valdez said it believes its location on Prince William Sound is a better spot for the LNG plant than Nikiski in Cook Inlet. Residents around Healy, more than halfway from the North Slope start of the pipeline to the LNG plant, are concerned the project could hurt tourism in the area.

Federal Energy Regulatory Commission staff, along with Alaska LNG project teams, will review the comments to ensure they are addressed in the project's environmental reports. The reports will accompany the Alaska LNG application for FERC approval to build and operate the North Slope gas treatment plant, 804-mile gas pipeline and liquefaction plant and marine terminal at tidewater.

NEXT ROUND OF REPORTS IN 2016

As part of its application, Alaska LNG is required to submit 13 "resource reports" detailing how the project will affect the environment and communities, and what the developer proposes to reduce those impacts.

Alaska LNG reported to FERC in a Nov. 12 phone meeting that it was planning to submit its next round of draft reports in the first and second quarters of 2016. The first draft reports were submitted in February 2015. The project sponsors have targeted the fourth quarter of 2016 for their final reports and full application to FERC, triggering the agency's work to start drafting the EIS, which will be followed by more public and regulatory agency comments before FERC issues its decision on the project.

The project developers — a partnership between ExxonMobil, BP, ConocoPhillips and the state of Alaska — could have their major permits in hand and be ready to make a final investment decision by late 2018 or early 2019 on the \$45 billion to \$65 billion project to ship gas to overseas buyers. An investment decision will also depend on the partners putting together a project that can deliver LNG at a competitive cost in a tough marketplace, and on global LNG trade improving from its current state of oversupply and low prices.

The partners Dec. 3 approved a \$230 million work plan for 2016, including additional field work, analysis and preliminary engineering toward completing the pipeline routing and project design — along with the resource reports for FERC.

In addition to accepting written comments, FERC held a dozen public meetings around Alaska in October and November, providing people an opportunity to come to the microphone and talk about issues they want covered in the EIS. The largest turnout was in Nikiski, where the LNG plant and marine terminal would be built near a Tesoro oil refinery, the much smaller ConocoPhillips LNG plant and Agrium's nitrogen fertilizer plant, which has been closed since 2008.

The almost 60 written comments submitted to FERC's docket are low compared to such "scoping" periods for other LNG projects covered by a federal EIS. The Jordan Cove LNG project in Coos Bay, Ore., attracted three times as many written comments, and the Oregon LNG project in Warrenton, Ore., at the entrance to the Columbia River, drew five times as many comments (excluding form letters). Both projects are still waiting on final regulatory approvals and an investment decision by the developers.

Comments submitted to FERC for the Alaska project included:

- The Nikiski Community Council listed increased traffic, risks to water well quality and quantity in the area of the LNG plant site, continued access to beaches in the area of the LNG plant and additional demands on emergency services as among the topics that should be covered in the EIS.
- Concerned Citizens of Nikiski, in a letter signed by 23 residents, told FERC it is concerned about additional school enrollment, water wells in the area, and beach access for recreation and fishing. Individual Nikiski residents also cited concerns over lower property values and adequate safety zones around the plant as topics to fully address in the EIS.
- The Kenai Peninsula Borough in its comments raised many of the same issues as Nikiski residents, while acknowledging: "The borough realizes that many of the questions it asks will be addressed in the next round of draft resource reports expected from the Alaska LNG project in the first and second quarters of 2016."
- The United Cook Inlet Drift Association (representing 570 salmon drift gillnet holders in Cook Inlet) wants to see a comprehensive plan for safety and cooperation between drift gillnetters fishing for salmon in Cook Inlet and the 15 to 20 LNG carriers a month expected at the Nikiski terminal. The group also mentioned that an exception to the rule for distance between fishing boats and carriers may be appropriate in the waters during fishing season openings.
- The Kenai River Special Management Area Advisory Board is concerned about increased pressure from construction workers and operations personnel on Kenai River fishing.
- The state Division of Forestry stewardship office in Kenai provided detailed comments on how best to use trees, stumps, slash and waste wood, and other organic material that would be cleared from the LNG plant site and pipeline right of way.
- The North Slope Borough is concerned with the project's impacts on subsistence harvests and the health of its residents, in addition to the risk that construction work will accelerate permafrost thawing.
- The Tanana Chiefs Conference, based in Fairbanks, also raised issues of health impacts on local residents, in addition to concerns over trespass and user conflicts along the pipeline corridor through the Minto Flats.

- The City of Valdez, about 170 air miles almost due east of Nikiski, said it is a better site for the liquefaction plant and marine terminal. Cook Inlet has more winter ice than Prince William Sound, presenting a problem for LNG carriers, the city said in its submission to FERC. Routing the gas line to Valdez instead of Nikiski would make more use of existing trans-Alaska oil pipeline right of way from the North Slope to a tanker port at Valdez. And the city said federal reviews for proposed LNG projects in the 1980s and 1990s determined Valdez was a better option.
- The Fairbanks North Star Borough, citing high energy bills in the community, said the additional cost of building a spur pipeline to bring gas into Fairbanks from the main pipeline, which would run west of the borough, “is troubling” and “should be an integral aspect of any environmental impact assessment of the project.”
- The Environmental Protection Agency submitted the longest comment of any regulatory agency, including that the EIS should “disclose both direct and indirect greenhouse gas emissions” from the project; specify the local and overseas markets for Alaska gas so as to substantiate the need for the project; consider a much smaller project as an alternative; and consider Valdez as an alternative site to Nikiski for the LNG plant.
- The National Park Service wants the EIS to pay particularly close attention to noise and lighting from compressor stations near park land, and potential impacts to air quality. In addition, the Park Service said, the pipeline route just east of Denali Park could “place a substantial scar and facilities on the landscape which would be visible from the heavily visited front country of Denali National Park,” and should be addressed in the EIS.
- Several Denali Park and Healy area residents, including the Denali Citizens Council, told FERC the pipeline could hurt tourism in the region and damage recreational and wildlife habitat resources. “It is unlikely that there will be any local benefit, in terms of cheap natural gas or even lasting employment, to residents of the Denali Borough, but the impacts on our communities would be substantial and largely undesired,” a resident wrote. The EIS should consider other pipeline routes, several residents said. “At this time,” the Denali Citizens Council wrote, it cannot support the pipeline route “given the likelihood of severe impacts to the local quality of life, the quality of the seasonal tourism experience, the quality of regional wildlife habitat.” The council said rerouting the pipeline toward an LNG plant at Valdez, along the trans-Alaska oil pipeline right of way, would be a better answer.
- The Chickaloon Village Traditional Council, representing the community of about 270 people roughly 60 miles east of the gas pipeline route and 60 miles south of Denali Park, said the EIS should look at the option of building a gas-fired power plant on the North Slope with high-voltage transmission lines to distribute electricity statewide.
- The Center for Biological Diversity, based in Arizona and with offices in Alaska and nine other states, told FERC the Alaska LNG project would increase greenhouse gas emissions and global warming; diminish air and water quality; harm wildlife habitat; and, along with multiple LNG export plants in the Lower 48 states, promote increased U.S. natural gas production and hydraulic fracturing of gas wells. Environmental organizations have repeatedly asked FERC and the Department of Energy to consider the entire production and consumption chain of natural gas — from the producing well to the consuming power plant or utility customer — in measuring an LNG project’s environmental impact. To date, the federal agencies have rejected those arguments.