

Denali Park pipeline routing waits on congressional action

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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.)

Contingent on an environmental analysis by federal agencies — and congressional action pending in a House and Senate conference committee — the proposed Alaska LNG project natural gas pipeline could run through 6.16 miles just inside of Denali National Park and Preserve to avoid steep side slopes and unstable terrain farther east. The alternative route also would eliminate the need to build a 500-foot-long pipeline bridge across a steep canyon.

Without the change in federal law, however, the alternative routing, regardless of its benefits, would be subject to an “impracticable ... unreasonably difficult if not impossible” duplicative federal regulatory process, project sponsors said in September and November filings with the Federal Energy Regulatory Commission.

FERC, which would prepare the project's overall environmental impact statement for the public and regulatory agencies, has expanded its review to include the alternative that would run within the park from approximately Mileposts 538 to 544 on the 804-mile pipeline route from Prudhoe Bay roughly due south to the liquefied natural gas plant in Nikiski. The FERC review would continue, regardless whether the pending legislation removes the additional federal review process that is unique to Alaska.

FERC has received a small number of public and agency comments on the alternative route, and generally in support of the option. The Denali Park routing option “is a reasonable alternative” under the National Environmental Policy Act, the U.S. Environmental Protection Agency said in its comments to FERC. “And because of the potential to locate the pipeline within existing infrastructure rights-of-way, (it) may represent the least environmentally damaging practicable alternative.”

ALTERNATIVE WOULD PARALLEL HIGHWAY

The alternative route for the buried 42-inch-diameter gas line would parallel the Parks Highway for most of the pipe's short run through Denali Park, though in a separate right of way. The route currently proposed in Alaska LNG's maps to FERC would run east of the Nenana River, outside the park boundary by as much as 1.5 miles. The Denali routing is one of several project alternatives that would be addressed in the federal EIS.

The state of Alaska is in the process of negotiating with its North Slope oil and gas producer partners to take control of the Alaska LNG project, which the companies want to slow down

due to weak market conditions. If that effort is successful, it would be up to the state to complete the project application to FERC and cover the costs during the EIS process.

The EPA also recommended in its comments to FERC that the project sponsor construct a gas offtake point “in and/or near the park boundaries” to allow for gas deliveries in the area. “Natural gas would support existing public and private businesses and facilities, and future development near the park entrance and visitors center and within park boundaries,” the EPA said.

Natural gas is cleaner-burning than diesel for heat, power generation and as a transportation fuel.

The Denali National Park Improvement Act of 2013 allows right-of-way permits for a gas pipeline in the park along an approximately 7-mile stretch near the Parks Highway. However, an earlier federal law, the Alaska National Interest Lands Conservation Act of 1980, sets out a complex and, as described by the Alaska LNG sponsors, an “unreasonable and impracticable” process for obtaining the federal approval authorized under the 2013 act.

The energy bill pending in Congress with its amendments to both the Denali Park Improvement Act and ANILCA would remove that additional process — only for the gas line.

ENERGY BILL STILL PENDING

Alaska Sen. Lisa Murkowski succeeded in attaching the two-page amendment to a compromise energy bill that moved through the U.S. Senate. The 792-page bill, S. 2012, has been in a House/Senate conference committee since September, with members working to resolve differences between the two chambers.

If lawmakers fail to pass the measure during the lame-duck session before adjournment at the end of the year, the legislation would start over with the new Congress that convenes in January. The bill deals with energy efficiencies, pipeline permitting, forest management, minerals, hydroelectric power — a long list of items far more contentious than the Denali Park pipeline amendment.

A provision in ANILCA allows for permitting of pipelines (referred to as “transportation and utility systems”) in federal conservation units in Alaska, including Denali Park. But it sets up a unique and somewhat duplicative process for regulatory reviews that would be in addition to any other existing agency procedures and the FERC environmental impact statement for Alaska LNG.

The ANILCA provision requires that every federal agency with any jurisdiction over any portion of the entire project — not just the 6 miles of pipeline in the park — must follow a tight schedule to authorize the development before it can go ahead, essentially giving a veto to any single agency. A project applicant’s only appeal would be to the president of the United States.

“Such a rigid schedule and simultaneous permitting for all federal authorizations ... is not reasonably feasible for a large-scale project such as Alaska LNG,” the project team said in a Nov. 6 letter to FERC. The ANILCA provision “has never been applied to a project of the complexity and magnitude of the Alaska LNG project,” the letter said.

The amendments pending in the energy bill would not change any environmental standards or agency jurisdiction over the gas pipeline or other portion of the Alaska LNG project, or amend FERC’s governing authority over the federal EIS. Nor would it diminish the public comment provisions of the FERC review, or that of any other federal agency. It would, however, remove the ANILCA provision that the 6.16 miles of pipeline through Denali Park undergo an entirely separate review and approval process.

EPA POINTS TO BENEFITS OF ALTERNATIVE ROUTE

Alaska LNG’s proposed pipeline route — in its current filings with FERC — would cross several waterways: Lynx Creek, including an undefined active fault zone near the creek; Montana Creek; and the Yanert River, which though just 20 miles long is a major tributary of the Nenana River. The Yanert moves through a braided glacial outwash with steep sidewalls that would require the pipeline bridge. The alternative route in the park “would avoid ... unstable slope areas and the visual impacts from the bridge crossing and use more conventional construction methods,” the EPA noted in its comments to FERC.

In addition, moving the pipeline closer to the Parks Highway “would avoid the need to construct additional new remote access roads,” the EPA said.

The municipal government for the area, the Denali Borough, adopted a resolution this fall stating its support for the alternative route, also noting “strong community support” for a bicycle path along the highway corridor.

The Denali Citizens Council, however, took a different view from the local government, noting that the council has “grave questions” regarding the alternative route’s environmental and socioeconomic impacts. The citizens group asked for additional information on the precise routing, gravel sources and access roads for pipeline work in the area.

Opposition also came from the Alaska State Historic Preservation Office, which told FERC it is not in favor of the Denali alternative. The office noted that there are significant archaeological sites as well as historic buildings in the entrance area to the park near the alternative pipeline route. “The Denali alternative route may have indirect adverse effects on the Park Road and park headquarters district, both of which are significant historic properties,” the state agency said.

Additional cultural and historic surveys would be required, the office said. The state agency noted that after surveys are completed and impacts are evaluated, the project developer will

be required “to develop measures to resolve these effects through avoidance, minimization or mitigation.”

Those requirements are the same as for any other culturally sensitive or historic sites along the project route.