

State still expects FERC to issue EIS schedule this fall

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Aug. 31, 2017

(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.)

As the Alaska Gasline Development Corp. continues working to fulfill almost 100 pages of data requests from federal regulators — with more questions still to come — the state corporation says it “anticipates” receiving a schedule sometime this fall for the North Slope natural gas project’s environmental impact statement.

[In its most recent response to federal regulators](#), the state corporation provided additional information for its project application, including a schedule for when it would provide answers not addressed in its Aug. 18 filing with the Federal Energy Regulatory Commission (FERC).

The Alaska Gasline Development Corp. (AGDC) said Aug. 18 it would submit the missing data October 2017 through January 2018, adding to the growing list of answers already owed to FERC. The information to come this fall or early winter will include:

- Detailed projections of Alaska resident and non-resident hire for the five-year construction project, including hires by third-party contractors.
- A breakdown of earnings for direct and indirect employment on each facility included in the proposed Alaska LNG project.
- A year-by-year breakdown of goods and services purchases during construction.
- The project’s effects on housing availability and prices in Alaska, and its effects on the state’s recreational, tourism and fishing industries — including compensation for shore fisheries displaced by the project the area of the LNG plant and Cook Inlet pipeline crossing.
- A traffic management plan for Alaska highways during the years of construction.
- Maps and project details for relocating a portion of the Kenai Spur Highway to make room for the liquefaction plant, storage tanks and marine terminal in Nikiski.
- A plan for measuring and compensating communities for project impacts.
- More details on port improvements that would be needed to move construction material through Anchorage and Seward.
- Noise-reduction plans for project activities near lands managed by the National Park Service and U.S. Fish and Wildlife Service.

The Aug. 18 filing was AGDC's second response to almost 100 pages of questions from FERC — which is expected to soon issue a third set of data requests that will cover the application's environmental reports on water use and quality, and wastewater discharge; fish, wildlife and vegetation; and cultural resources. A dozen such "resource reports" provide the basis for FERC's environmental impact statement.

The state, which took over project management last year from North Slope oil and gas producers, filed its application with FERC in April, and has been working since then to fulfill data requests from federal regulators. The \$40 billion to \$45 billion construction project would remove carbon dioxide, water and other impurities from North Slope gas; pipe it 807 miles south to a liquefaction plant in the Kenai Peninsula community of Nikiski; where it would be superchilled into a liquid and loaded aboard LNG carriers for export overseas.

FERC will not issue a schedule for the project's environmental impact statement until staff believes it has enough information to judge the time required for the review.

NEW FEDERAL OFFICE TO TRACK PERMITTING

[A new federal office](#) is gearing up to track permitting of large projects nationwide. However, establishment of the office will not change when FERC will issue its Notice of Schedule for Environmental Review, nor can the office dictate how long the commission takes to prepare the environmental impact statement or issue a decision on the state's application to build and operate the Alaska LNG project.

Congress created the Federal Infrastructure [Permitting Improvement Steering Council](#) to monitor environmental review and permitting efforts for large projects with the goal of improving "timeliness, predictability and transparency" of federal reviews. The council was included in the Fixing America's Surface Transportation Act (FAST), which President Barack Obama signed into law in December 2015. The council started working in July 2016 and President Donald Trump reaffirmed and added to its instructions in an Aug. 15, 2017, executive order.

The new program is named FAST-41, for the steering council's location in Title 41 of the law. (The legislation provided transportation project funding through federal fiscal year 2020.)

The council on Aug. 22 added the Alaska LNG project to the list of developments it is monitoring. As of Aug. 30, the list included seven pipelines, the Alaska LNG project, two LNG projects proposed for the Gulf Coast (one each in Louisiana and Mississippi), plus electrical transmission lines and solar, wind and hydroelectric power projects.

ONLINE 'DASHBOARD' TO TRACK PROGRESS

Each project is listed on the council's [Permitting Dashboard](#) website, where its progress will be tracked and updated. Because FERC has not accepted the Alaska LNG application as complete, nor set its schedule for the environmental impact statement, the [project's dashboard entry](#) says: "In Progress." Though FERC will provide the website with a schedule showing the number of days allotted to each step in its process, it will not provide actual dates until it is certain it has enough information from AGDC to set a schedule for the EIS.

Under AGDC's ambitious assumption that it can reach a final EIS late next year, the project schedule on its website shows detailed design work and an investment decision in 2018-2019, with construction to start in 2019 and the first LNG cargo as soon as 2023.

FERC will continue posting all of the project's filings — from the applicant, interested parties and regulatory agencies — on the commission's own [website](#), which is available and searchable for the public. (The Alaska LNG project is FERC Docket CP-17-178.)

Another Alaska energy project — the proposed Liberty oil and gas development offshore the North Slope — is also [listed on the FAST-41 dashboard](#). The Bureau of Ocean Energy Management released the project's draft EIS on Aug. 17, about two years after Hilcorp Alaska submitted its application.

[Under the statutes](#), a federal agency may not change the final completion date of its environmental review schedule posted on the dashboard by more than 30 days without permission of the council's executive director, who must consult with the project sponsor before deciding on the extension.

Participation in FAST-41 is voluntary for project sponsors. AGDC on Aug. 7 asked to join the program, which is open to energy production developments, pipelines, manufacturing plants, electrical transmission lines, highways, airports, ports and waterway projects that require a federal environmental impact statement and are likely to cost more than \$200 million to build.

The council is comprised of officials from 15 federal offices, including FERC. As of April 2017, the council had three full-time employees and five contract employees, with additional hires expected, according to its [first report to Congress](#). The law requires annual reports to Congress on permitting delays and the overall effort to improve the federal review and permitting process.

The council's 2017 report explains that projects covered by FAST-41 "do not automatically receive a favorable decision on an environmental review or authorization" or priority over non-FAST-41 applications, but "benefit from enhanced coordination ... and increased visibility."

LIMITS TO NEW OFFICE'S AUTHORITY

Nothing in FAST-41 overrules the status of FERC and the Nuclear Regulatory Commission (NRC) as independent regulatory commissions, which grants them more autonomy than other federal permitting agencies such as the Bureau of Land Management or Army Corps of Engineers.

For example, the steering council cannot dictate or govern when FERC commissioners decide on an application after adoption of a final EIS.

A footnote to the [Steering Council's 2017 report to Congress](#) explains: "FERC and Nuclear Regulatory Commission environmental review schedule(s), and modifications thereto, will not be subject to review and oversight by project sponsors or other government offices. Therefore, limitations on modifications to permitting timetables do not apply to FERC and NRC. FERC and NRC's environmental review schedule(s) will be maintained and updated on the dashboard to ensure the transparency required by FAST-41."

Concurrent with its permitting and environmental review efforts, AGDC continues to market the project and Alaska natural gas to potential gas suppliers, LNG customers, investors, and partners. Replies to a solicitation issued June 15 are due to AGDC by Aug. 31, as the state corporation is looking to gauge the market for interest in the project.

AGDC is seeking non-binding responses from parties interested in supplying gas, reserving capacity in the pipeline or the LNG plant, or any combination.