

## Comments on draft EIS cite environmental issues, LNG terminal location

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Filings from federal, state, and municipal agencies, environmental and business groups, and the public piled in on the last two days for comment on the Alaska LNG project's draft environmental impact statement. And while most public comments were supportive of the state-led undertaking to move North Slope gas to market, several filings pointed to deficiencies in the review.

Challengers either opposed the project outright over environmental concerns or supported a different route for the north-to-south gas pipeline and a different site for the liquefied natural gas export terminal than Nikiski on Cook Inlet.

Others did not contest the project but found specific construction plans lacking.

"We found multiple instances in the draft EIS where details concerning permafrost construction techniques and monitoring efforts were not well explained," said the filing by the Office of Project Management and Permitting at the Alaska Department of Natural Resources. "Therefore, the state recommends further detail and clarification on these topics."

The office submitted comments on behalf of seven state departments.

The U.S. Environmental Protection Agency recommended that the final EIS consider alternative designs for the 27-mile underwater pipeline crossing of Cook Inlet, including a thicker concrete coating, heavier steel pipe, concrete or metal anchors, and concrete "mattresses" to protect the pipe and secure it on the seafloor. The state team leading the project has proposed 3½ inches of concrete around the pipe.

"In particular," the EPA said, "the strong currents can create a vortex of water to build around the pipeline that can cause the pipeline to snap if not secured to the seafloor." The agency noted in its comments that Upper Cook Inlet is critical habitat for the endangered beluga whales.

Protecting Cook Inlet beluga whales also is a concern for the 62-year-old national organization Friends of Animals, which called on the Federal Energy Regulatory Commission (FERC) to reject the project application. FERC is the lead federal agency for the EIS.

Avoiding the Cook Inlet crossing is a major argument against building the LNG plant and marine terminal on the Kenai Peninsula, said filings by the city of Valdez and the Matanuska-Susitna Borough, both of which are promoting their own sites as a better location.

The liquefaction plant and marine terminal would be the end of the line for the 807-mile pipeline that would transport North Slope gas to Nikiski, where LNG would be loaded aboard oceangoing carriers for delivery.

The state's Alaska Gasline Development Corp. (AGDC) has been working to develop the \$43 billion project since the North Slope oil and gas producers left the team in 2016, but the venture lacks any partners, financing, or customers. AGDC is focused on finishing the EIS and review process at FERC and then waiting to see what happens next.

The state corporation spent about \$2.2 million in the first two months of fiscal year 2019-2020, according to a budget presentation for the board's Oct. 10 meeting.

Public comment on the draft EIS closed Oct. 3. The several dozen comments submitted to FERC are a small fraction of the volume turned in for more controversial, high-profile LNG projects, such as the tens of thousands of comments submitted this past spring and summer for a proposed 229-mile gas pipeline across Oregon and liquefaction plant in the coastal community of Coos Bay.

Unless FERC extends its timeline for reviewing the Alaska LNG project application, it is scheduled to issue a final EIS in March 2020.

In addition to filings by state and federal regulatory agencies and project opponents and supporters, the project sponsor, AGDC, submitted 936 pages of comments and clarifications on the 3,600-page draft.

A joint filing by Earthjustice, the Chickaloon Village Traditional Council, Sierra Club, Northern Alaska Environmental Center, Defenders of Wildlife, Cook Inletkeeper, and The Wilderness Society was the largest submission Oct. 2-3, totaling 1,500 pages.

"The project is unprecedented in scale. It would have significant impacts on wildlife, wildlife habitat, subsistence uses, and air quality, as well as many other natural values. Yet, the draft EIS dismisses most of these impacts as insignificant based on unspecified, unproven, or unenforceable mitigation measures," the collective filing said in its critique of the draft.

The lengthy challenge from the environmental groups and village council also questioned whether the public even takes the project seriously.

"Aside from the long history of failures to build a gas pipeline in Alaska, this particular project has lost investors, failed to secure customers, and suffered the layoff of more than half the AGDC staff," the filing said. "Under the circumstances, many organizations and members of the public may not devote time to analyzing and commenting on the draft EIS or may not do so in detail, as they would if the project appeared realistic."

Trustees for Alaska submitted 218 pages of comments on behalf of the National Parks Conservation Association: "(The association) has identified several serious deficiencies with the draft EIS that make it impossible to ensure that impacts to national parks are fully analyzed and mitigation plans are in place to minimize or eliminate project impacts."

The filing called on FERC to extend the public comment period and supplement its environmental analysis. The National Parks Conservation Association on Sept. 30 filed a motion with FERC to intervene in the application docket.

Already granted intervenor status — which allows taking FERC to federal court to challenge the EIS or a commission decision on the project application — are three Alaska municipalities arguing over where the LNG terminal should be built.

Valdez, not satisfied with the draft's consideration of the community for the LNG terminal, said in its filing that "legal and technical shortcomings" in the report "must be addressed." The city, which has long promoted itself as the best site in Alaska for an LNG terminal, said FERC needs to start work on a supplemental draft impact statement.

"Failure to address the issues ... will inevitably lead to costly delay and litigation from environmental advocacy groups and others," the city warned in its 491-page filing.

Valdez said AGDC “has elected to provide unsupported assertions overstating impacts and feasibility issues associated with the Valdez option while ignoring many of its obvious advantages.” The city called the state agency “an advocate for the Nikiski alternative.”

North Slope producers ExxonMobil, BP, and ConocoPhillips selected Nikiski in 2013, when they were leading the development effort.

Even the U.S. Army Corps of Engineers had a comment about the site selection for the LNG terminal, noting that the draft report said Nikiski “is superior in certain other aspects” to Port MacKenzie. “The use of the word ‘superior’ indicates an extreme bias on FERC’s part for the proposed project,” the agency cautioned. “The Corps recommends the use of a more neutral word or phrase such as, ‘more beneficial,’ or ‘has less impacts to other specific resources than the Port MacKenzie Alternative.”

The Matanuska-Susitna Borough is promoting its property at Port MacKenzie across Knik Arm from Anchorage for the LNG terminal. In its 114-page filing, the borough referred to “extensive inaccuracies and omissions” in the draft EIS, matching the request from Valdez that FERC prepare a supplemental impact statement. The borough said much of the Port MacKenzie material that it submitted to AGDC in the past two years was not included in the draft, which was released in late June.

Standing up for Nikiski was Kenai Peninsula Borough Mayor Charlie Pierce, who submitted a statement in support of the Cook Inlet site. The mayor, however, disagreed with AGDC’s preferred landing site for the cross-inlet pipe at a location called Boulder Point. Residents oppose the pipeline running through the area, and the mayor said he supports moving the landing about four miles south, closer to the LNG terminal. That alternative, however, would add almost two miles to the underwater crossing.

The Environmental Protection Agency also commented on the pipeline landing at Boulder Point, recommending that the final EIS further evaluate the alternative of coming ashore south of the location to better protect the pipeline.

The alternate route “avoids laying a pipeline in a minefield of boulders,” in addition to avoiding burying the pipe through 17 acres of woodland, said a Nikiski resident in her comments to FERC. Several area residents commented against the Boulder Point landing.

The Kenai Peninsula Borough mayor also expressed concern for setnetters that will lose their shoreline fishing sites to the LNG project. “It is important that AGDC work to accommodate these fishing leases,” Pierce said.

The state team in the past has said setnet lease holders could receive compensation, but it has not determined a structure for any payments. AGDC said in past filings that it would “work with individual setnetters to determine the appropriate amount of monetary compensation for salmon harvest loss or loss of access to a shore fishery lease.”

The borough also told FERC it wants to receive advance funding before construction starts to cover any municipal costs of preparing for the influx of workers and project activities. “It is also important” during construction and operation that any negotiated payments in lieu of property taxes or other taxation structure “is biased toward the communities most impacted by the project, which would be Nikiski and the Kenai Peninsula Borough.”

Resolving payments in lieu of property taxes also is a concern of Denali Borough Mayor Clay Walker, who in his filing asked that the state reconvene the inactive Municipal Advisory Gas Projects Review Board. The group has not met in three years but had been talking about

setting up a system to collect money from the project developers in lieu of property taxes and then share the funds with municipalities along the project route from the North Slope to the Kenai Peninsula.

Walker also said the Denali Borough wants to see a gas offtake point on the pipeline to serve its residents and businesses, which would benefit from access to the cleaner-burning fuel.

And while the mayor said he understands the need for the project to use borough land for work camps, pipe storage yards, and pipeline trenching, he noted in his comments to FERC that AGDC has not negotiated any land deals with the borough. "It appears presumptuous to plan a project on another's land without any assurances or agreements in place," Walker said.

The Denali Citizens Council wrote in opposition to the pipeline through its area toward Nikiski, favoring instead routing the pipe along the existing trans-Alaska oil pipeline corridor to Valdez.

"We've concluded that the impacts and fiscal uncertainties of this project in our region are simply too great, and we would favor the alternative ... along the TAPS corridor," the council told FERC. "This ... eliminates the complications associated with setting aside an entirely new right of way for much of the line."

The council said it "provides education and advocacy on important land and wildlife issues in the gateway communities of Denali National Park."

The state, however, supports the route to Nikiski, including running 6.1 miles of pipe through the eastern edge of Denali National Park & Preserve. That short incursion into the park is "more geologically stable" than the steep slopes to the east of the park boundary, the state's collective response said. And burying the pipe at the edge of the park "would be less visually intrusive" than bridging a deep gorge "in a heavily visited tourist area" outside the park, the state permitting management office said in its filing.

The EPA also took an interest in the Denali National Park in its comments on the draft EIS, adding its support for burying the pipeline just inside the park boundary to avoid difficult terrain farther to the east.

In addition, the EPA, similar to the Denali Borough, recommended an interconnection point as the pipeline passes through the park to serve public and private facilities and future development with potential to convert the park's sightseeing bus fleet to run on natural gas to help reduce air pollution.

In a critical note, looking at the entire pipeline route, the EPA said it is concerned that "wet ditch open cut trenching (for pipeline installation) at waterbody crossings upstream from fish spawning areas could result in downstream sediment disposition adversely impacting and degrading sensitive spawning redds/gravels and potentially smothering incubating eggs and/or larval fish." The agency recommended AGDC look at using different construction methods to cross the waterbodies.

And the EPA said it is not satisfied with plans for building temporary work pads on permafrost during construction. "The draft EIS identifies that the project proposes granular work pads of 12 to 36 inches in depth. This depth is much less than the North Slope industry standard minimum of five feet to provide thermal protection to permafrost. If that's the only practical construction option, we recommend insulating thermal foam between (the) fill and permafrost."

New construction access roads along the project route are a concern to Cook Inlet Region Inc. (CIRI). The regional Alaska Native corporation is one of the largest private landowners in Southcentral Alaska. “The 481 new roads will provide access to otherwise inaccessible locations and some access will likely be unwanted,” CIRI said in its filing. “Therefore, it is incumbent that AGDC also help mitigate the economic and resource damage through trespass that the project will invite. Trespass is becoming an increasing problem, particularly in roaded areas.”

Another regional Native corporation, Ahtna, was critical of the FERC report. “The draft EIS does not adequately analyze the impacts of the pipeline on the Ahtna people” or fully address “safety, socioeconomic impacts (and) right-of-way acquisition,” the corporation said. The route to Nikiski passes through about 30 miles of Ahtna lands near the community of Cantwell.

The draft does not “adequately analyze how the proposed pipeline would affect customary and traditional use of wild game by Ahtna people,” the corporation said.

Filings in support of the project and draft EIS were submitted by ExxonMobil, BP, the Alaska Oil and Gas Association, Resource Development Council of Alaska, Associated General Contractors of Alaska, Alaska Support Industry Alliance, the cities of Kenai and Soldotna, and the International Union of Operating Engineers, along with a couple dozen individual Alaskans and a few state legislators.

Supporters pointed to the jobs, economic development, state revenues and community access to natural gas that could accompany the project.

Multiple filings by organizations and individuals complained that the report failed to assess the climate-change impacts of gas production and consumption. “FERC should assess the upstream greenhouse gas emissions that would result from increased natural gas production on the North Slope if the proposed project is approved, as well as the downstream greenhouse gas emissions that will result from use of natural gas,” said the Sabin Center for Climate Change Law at Columbia University in New York City.

Environmental Defense Fund comments on behalf of multiple organizations said the draft fails “to provide a meaningful analysis of the pipeline project’s climate effects, as required by the National Environmental Policy Act and Natural Gas Act.”