

FERC sends more comments, questions to Alaska LNG

By Larry Persily lpersily@kpb.us

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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.)

Requests for more information are stacking up for the environmental review of the Alaska LNG project, with the Federal Energy Regulatory Commission adding 96 pages to an earlier 266-page list sent to the project sponsor.

The federal and state regulatory agency questions and comments compiled by FERC now cover 10 of the 12 draft environmental, engineering, design and operations reports — called resource reports — submitted by Alaska LNG this past summer. Commission staff is still working to gather agency comments on reports No. 11 Reliability and Safety and No. 13 Engineering and Design Material. Most of the comments on those technical reports will come from the federal Pipeline and Hazardous Materials Safety Administration.

Several of the questions raised in the 96 pages submitted to Alaska LNG on Nov. 16 asked about highway improvements required to accommodate the heavy traffic during construction, and asked for traffic management plans to safely handle the additional burden on Alaska's limited road system. FERC also wants to know the details of project impact aid to municipalities during construction.

Alaska LNG will need to answer the questions and provide the additional information in its final set of resource reports that would accompany a project application to FERC. "If the information will not be included in the application as indicated by Alaska LNG," FERC said in its Nov. 16 letter to the project team, "provide a schedule for when it will be filed with FERC or provided to the requesting agency."

The final reports would provide the base for FERC's preparation of an environmental impact statement for the \$45 billion project of a gas treatment plant on the North Slope, a 62-mile pipeline to bring Point Thompson gas to the treatment plant, an 804-mile pipeline from Prudhoe Bay to Nikiski, and a gas liquefaction plant and marine terminal in the Kenai Peninsula community on Cook Inlet.

The state of Alaska is negotiating with North Slope oil and gas producers ExxonMobil, BP and ConocoPhillips to take over control of the project, which would include taking the lead in finishing the resource reports and submitting an application to FERC. The producer partners earlier this year cited weak market conditions in deciding against spending more money toward a FERC application in 2017, with Alaska Gov. Bill Walker wanting to stick with the original

schedule while boosting the state's ownership share. The state currently holds a 25 percent stake in the project.

"Negotiations are continuing," Alaska Gasline Development Corp. President Keith Meyer told his board of directors Nov. 10. The state corporation had wanted the parties to sign off on transition agreements by the end of October. Though the state missed its self-designated timeline, "I would say that all things are moving well," Meyer told the board. "I don't detect anything that's going to stop the process."

Negotiations between the state and producers continue on transition agreements governing technical information collected during the four years of the state-private partnership, confidentiality provisions covering some of the information, and the status of more than 630 acres purchased by the companies in Nikiski for the proposed liquefaction plant and marine terminal. The state was not a party to the land purchases, but would need to show control of the site in its application to FERC.

There is no deadline for an application to FERC. The agency would start work on the EIS after it receives a complete application. At the same time the state is negotiating to take control of the project from the producers, it is looking to see if it can line up financing, customers and partners for the venture.

Questions and comments raised in FERC's Nov. 16 letter covered resource reports Nos. 3, 5, 6, 7 and 8: fish, wildlife and vegetation; socioeconomics; geological resources; soils; and land use, recreation and aesthetics.

In particular, FERC asked Alaska LNG to provide updated information about the Kenai Spur Highway relocation in Nikiski. The coastal-route highway would need to be relocated inland to make way for construction of the LNG plant and marine terminal and to allow safe movement of materials and plant modules from a waterfront offloading facility to the plant site.

Nikiski residents have been frustrated at the lack of any updates after Alaska LNG released a preliminary map of multiple route options more than a year ago. And because the highway would need to be relocated before the start of construction, the route selection, engineering, land acquisition and building the new highway segment is a time-critical item to prepare for the LNG project.

FERC asked that the final resource reports:

- Provide data and maps on the criteria and analyses used to evaluate possible relocation routes.
- Provide maps and descriptions of reconfigured intersections, property access, new traffic controls and interim traffic patterns during construction of the relocated highway.

- Describe how access to businesses and residences would be preserved during the highway relocation project, including providing a list of the businesses, residences and properties that would permanently lose road access and describe measures to address that lost access.

Other questions presented to Alaska LNG on Nov. 16 covered issues on the North Slope, along the pipeline route and in Nikiski:

- Provide more details on potential modifications to highway and railroad bridges, overpasses and tunnels to handle construction traffic. FERC also wants to see “a more detailed discussion of the anticipated location, type, extent and timing of improvements to public highways and roads affected by project construction and operations.” And, FERC asked, identify who would be responsible for the road improvements and repairs before and after project construction and during operations.
- Provide additional information on the dock and handling yards at the ports of Anchorage and Seward, and other potentially affected ports during construction, including any modifications that will be required to meet the project’s needs.
- Describe the traffic management plans identified for the Glenn, Parks, Seward, Sterling and Kenai Spur Highways, “such as scheduling of equipment deliveries during non-peak hours, signage, use of flaggers or other traffic control devices, and notification of planned road closures.”
- Provide a detailed list of residences and other structures within 200 feet of the project area, including residences and other structures within the pipeline right-of-way, and a statement whether those structures would need to be removed or could be avoided. The request applies to structures within 200 feet of the Kenai Spur Highway relocation.
- Include more discussion of proposed impact payments to communities during construction. FERC noted that the North Slope producers had negotiated with the state to make payments into a construction impact fund in lieu of property taxes, though details on the aid program were lacking. “Describe whether the payments would be a net positive to communities or would allow them to break even as they use the money to pay for increased demand for public services and infrastructure demands.” FERC asked how much money might be available for impact aid, how it would be allocated between affected areas, which levels of government would be eligible for the funds, when the money would be distributed, and whether there would be any restrictions imposed on use of the funds. *(Communities in the project area are concerned that a state takeover of the project could change the amount of money available and disbursement of any impact funds.)*
- Provide estimates for the number of direct and indirect jobs created during construction, including estimates of how many of those workers currently live in the area and how many would relocate permanently or temporarily to the area.
- Provide total worker payroll, and estimates of local expenditures.

- Provide more information on the project’s impact on local housing, public facilities and services, particularly from people coming to Alaska in hopes of landing a job.
- Describe the potential impact of project facilities on the future development of coal resources in Alaska.
- Determine life stages and seasonality of invasive species present in the project area, including descriptions and mapping of each invasive species.
- Submit a whale-strike risk analysis of vessel traffic associated with the project.
- Discuss seasonal migrations of fish species between small tributaries that freeze to the bottom (and where these occur) and adjacent lakes and rivers for overwintering.
- Describe how and when the project would coordinate with the Alaska Department of Fish and Game “to develop and implement appropriate mitigation measures for impacts on fisheries from construction and operation activities.”
- Discuss the seasonal timing of plankton blooms in Cook Inlet to help determine the impacts on zooplankton and phytoplankton near the LNG plant and marine terminal in Nikiski.
- Define the various dredging disposal methods being considered for the North Slope and Cook Inlet, including sediment transport modeling, types of effects, mitigation measures and regulatory processes.
- Provide more information on mitigation measures during pile driving for offshore facilities, including “active monitoring during all activities using hydrophones installed in water and use of bubble curtains” to reduce noise traveling outside the area. The request also asks for the total number of piles and duration of time for the activities.
- Discuss the impacts and mitigation measures in the event of a large spill of oil, fuels, hydraulic fluids or other hydrocarbons in the marine environment.
- Though the project reported that “impacts to fish and fish habitat are not anticipated” during pipeline-crossing construction when rivers and streams are frozen or dry, FERC noted “this does not mean that fish habitat would not be affected from trench excavation and other construction activities unless baseline site conditions are fully rehabilitated.” The agency asked the project to “revise this discussion to include potential construction impacts.”
- Provide estimates of the amount of time it would take for vegetation to re-establish after construction in the different “ecoregions” of the project, describing the obstacles to revegetation, examples of failures and successes across federal lands, and restrictions on reseeded and planting times.
- Provide a noise-impact analysis during construction and operation for each of the following species and their sensitive seasonal-use habitat areas, including in many cases their rutting, calving and denning areas: Dall sheep, caribou, muskox, wood bison, polar bear, brown bear, black bear and moose.

- Identify areas where construction and operation noise could injure or disturb the animals in their sensitive habitat areas.
- Provide a detailed noise mitigation plan, including timing restrictions and possible use of temporary barriers and/or equipment mufflers.
- Include an analysis of vessel noise at the Nikiski terminal and potential impacts on marine mammals.
- Discuss the potential that climate change and rising sea level could affect the tsunami risk at the LNG plant site in Nikiski.
- Include specific design plans for the LNG facility to mitigate shoreline erosion.
- Provide plans for monitoring soils in areas of discontinuous permafrost to ensure that the pre-existing permafrost boundaries are maintained during construction and operation. In addition, provide plans for monitoring changes in permafrost in surrounding areas due to climate change and provide an adaptive management plan to assess any needed changes to the project.
- Discuss remediation and mitigation measures if thaw-related impacts occur to permafrost during construction.
- Discuss potential operational lifetime impacts on the project associated with climate change. “Include references to research on predicted changes in permafrost from climate change and information on any project engineering design measures that would mitigate for these changes in permafrost.”
- Describe proposed mitigation from impacts on seasonal and year-round recreation at Denali State Park (along the main pipeline route) and Captain Cook State Recreation Area north of Nikiski.