

Alaska LNG plans active field season

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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.)

It will be a busy season of field work for Alaska LNG project teams and their contractors as they gather data on soils, water and air, and collect information on people, places and wildlife, all geared toward compiling the next round of environmental reports for federal regulators and figuring out the best way to build the multibillion-dollar project.

Some of the work will be easy to spot, such as the small jack-up drilling rig the project expects to bring into Cook Inlet late in the summer to sample the seabed in the vicinity of the proposed LNG plant's marine terminal at Nikiski.

Other crews will be less noticeable, unless you're taking a hike and happen to come across a right-of-way or stream survey crew along the natural gas pipeline route, or maybe workers drilling approximately 200 boreholes along the proposed route.

The project is targeting 51 streams for surveys this summer, adding the flow and fisheries data to 253 streams already surveyed.

More than 30,000 acres of wetlands are on the work list for mapping, to be added to the 163,000 acres already mapped.

In Cook Inlet, crews will be collecting data on currents, waves and sediment, along with obstacles and terrain on the seabed where the project would sink and weight down about 30 miles of pipeline reaching from the west side near Beluga to a landing site about six miles north of the LNG plant.

And Alaska LNG continues to work with Nikiski property owners as it looks to assemble about 800 acres for the liquefaction plant, storage tanks and buffer zone. As of April, the project team reported about 550 acres purchased or under option.

ENVIRONMENTAL REVIEW PROCESS

It's this on-the-ground — and in-the-water — work that is crucial for completion of the regulatory paperwork and design work by project engineers. The Alaska LNG teams are staffed and advised by personnel from all of the partners: ExxonMobil, BP, ConocoPhillips, TransCanada and the state of Alaska.

The Federal Energy Regulatory Commission (FERC) is in charge of the environmental impact statement (EIS) that will be used by all federal agencies for the entire project, which includes:

- The 60-mile pipeline from Point Thomson to Prudhoe Bay.
- The North Slope gas treatment plant to remove water, carbon dioxide and other impurities from the Point Thomson and Prudhoe Bay gas streams.
- 800 miles of pipeline and eight compressor stations to move the gas from the North Slope south through Alaska to tidewater at Nikiski.
- The liquefaction plant and marine terminal at Nikiski to produce and store the LNG, then load it aboard tankers for deliveries to overseas customers.

More than 70 officials from FERC, along with its third-party contractor on the EIS, the Alaska LNG team and other federal and state regulatory agencies met in Anchorage and Fairbanks March 17-19 to review the timeline and data needs for the project.

“Scoping,” which is the process of asking other agencies and the public what should be covered in the EIS, officially started March 4, 2015, when FERC issued its formal Notice of Intent under the National Environmental Policy Act. That triggered a nine-month period — longer than normal but needed, FERC said, for such a large and complex project — during which agencies and the public can raise issues for the EIS.

Comments are due by Dec. 4, 2015, and FERC will hold community meetings statewide this fall to accept testimony to help ensure that the EIS doesn’t miss any local issues. A schedule of meetings will be announced later this year and will be posted on the project website at www.ak-lng.com.

In its March notice, FERC outlined issues that will be covered in the EIS, including (but not limited to) construction in steep terrain and permafrost, poor soils, impact on cultural resources, wetlands, dredging, fish and wildlife and vegetation, seismic and geohazards, recreation, socioeconomic (housing and public services), subsistence, air and noise quality, and safety.

MULTIPLE AGENCIES INVOLVED

Safety and security during project operations are the key issues that will be addressed in a Cook Inlet Waterway Suitability Assessment, prepared by the U.S. Coast Guard. Alaska LNG has started working with the Coast Guard on that review, and the federal agency will hold a four-day workshop in Anchorage in May for local, state and federal officials to discuss the area’s ability to safely handle ship traffic to the Nikiski LNG plant. The project estimates that as many as 230 LNG carriers a year could tie up at the marine terminal.

Another federal agency with a big role in the project is the Pipeline and Hazardous Materials Safety Administration (PHMSA), which sets safety standards for pipelines and LNG plants. Alaska LNG has initiated discussions with PHMSA — including meetings in Washington, DC, and Houston in March — which will continue this year.

Local permits are part of the field work process, too. Alaska LNG obtained North Slope Borough approval for ice roads and pads for its winter trenching and geotechnical field studies that ended in early April.

The project team is working with the Kenai Peninsula Borough to obtain approval for field work in the vicinity of the LNG plant. Permits will be required for any work conducted in borough rights-of-way and on borough-owned lands. This summer's work on borough land and private land within the borough is anticipated to include:

- About 80 boreholes, drilled down 10 to 150 feet.
- 20 groundwater monitoring wells to measure flow and direction, going down 100 to 150 feet.
- 20 test pits, all on private lands.

Most of this summer's other boreholes, which will allow the team to examine soil conditions along the pipeline route coming out of Prudhoe Bay, will be drilled between Livengood (about 50 air miles northwest of Fairbanks) and Cook Inlet. Overall, the project teams have a lot of data on the northern half of the route from previous gas line efforts, as well as the trans-Alaska oil pipeline, but lack details on the southern half.

The Alaska Gasline Development Corp., the public entity assigned to represent the state's interests in the Alaska LNG project, will be contracting for much of the pipeline-route borehole work and sharing the information with its partners — as part of the ongoing effort to avoid duplication of effort between the state's own gas line work and the Alaska LNG partnership.

Bureau of Land Management approval was required for the borehole drilling on federal lands. The project team also has started discussions with federal land managers on assessing air-quality impacts during construction and operations.

SUMMER 2015 WORK

Summer pipeline route field work will include right-of-way surveys, slope stability assessments, waterway crossing evaluations, raptor surveys and those geotechnical boreholes. The North Slope gas treatment plant will need an estimated 4 million to 5 million cubic yards of gravel for construction, and teams will be working this summer to investigate potential sources for the rock.

Other North Slope work will include continuation of test dredging at Prudhoe Bay's West Dock to learn more about the options of winter vs. summer dredging, which will be needed to create a deeper channel for the barges that would bring in gas treatment plant modules.

One of the more noticeable pieces of the project to Kenai Peninsula residents would be the possible relocation of the Kenai Spur Highway around the LNG plant site to ensure safe operations, especially during construction. Alaska LNG has briefed state Department of

Transportation and Kenai Borough officials on the potential for the reroute. A reconnaissance study is underway as project teams start their technical and environmental review of possible relocation options.

Borough officials are watching the highway relocation efforts closely to ensure local needs are accommodated for the heavily traveled road. If the LNG project goes ahead, the road reroute would likely need to be completed before construction starts at the Nikiski liquefaction plant, potentially making the highway a time-critical piece for project planners.

The Alaska LNG project team hopes to complete its integrated logistics report before the end of 2015, showing a first pass at where and how it could move steel pipe, building modules, equipment and workers during construction. The report will be key for transportation planners and communities as they prepare for the heavy load on supply ports, roads, airports, bridges and rail.

Alaska-based contractor PRL Logistics is working on the report, which also will cover storage areas, pipeline laydown yards, work camps and fuel storage. Similar to the environmental reports for FERC, the logistics report will go through multiple drafts as more information is collected.

Alaska LNG also has contracted with Bechtel, a global engineering and construction firm, to prepare a labor needs study, looking at the labor supply in Alaska and the project's demand for specific skills. Bechtel started its work in early April and its crews will be in the field for several months, talking with businesses and labor and focusing initially on construction-related craft skills.

The labor survey, along with the logistics plan, will be incorporated into the project's federal EIS.

PROJECT SCHEDULE

The entire EIS process takes several years. Under Alaska LNG's current schedule, the project sponsors will submit their second draft of environmental reports to FERC in early 2016, followed by the final reports and full application to FERC by summer 2016.

That second set of draft reports will include details on potential construction and operations impacts on the environment and communities, along with possible measures to lessen those impacts. The first drafts, filed with FERC in February, reported on existing land, water, wildlife and community statistics and conditions — the baseline conditions— and did not include potential impacts.

In addition to the filings with FERC, the project will face several decision points in 2016:

- Confirming cost and schedule.

- Moving into full front-end engineering and design (FEED), a billion-dollar-plus commitment.
- Identifying off-take points along the pipeline to provide opportunities for Alaskans to receive North Slope gas.

If the work stays on schedule, the project team anticipates FEFC would issue its draft EIS in 2017 and a final EIS and project approval by fall 2018, setting the stage for an investment decision by the partners late 2018 or early 2019. Construction could take five years.

PUBLIC MEETINGS

Community meetings are a big part of this year's work. Alaska LNG's public meetings in April to explain summer field work to local communities included presentations to the Ninilchik Traditional Council, Kenai/Soldotna Chamber of Commerce, Ninilchik Native Association, Kenaitze Indian Tribe and Soldotna city council.

They also held business information sessions in Anchorage, Fairbanks, Barrow and Kenai to share information with local businesses looking to work on the project, registering more than 600 people for the sessions and making available almost 20 project personnel to answer questions.

The project team reported at its business information sessions that it expects more than 250 people will be on the job for summer 2015 field work.

Businesses are encouraged to register at the project website www.ak.-lng.com for listing in the database that Alaska LNG will maintain of prospective contractors and subcontractors.

Community meetings in May along the pipeline route will include Cantwell, May 5; McKinley Park Village, May 6; Healy, May 7; Anderson, May 13; Nenana, May 14; and Wiseman, May 20.

The Alaska LNG project, estimated at \$45 billion to \$65 billion, would move North Slope natural gas to overseas markets and provide at least five off-take points along the pipeline route for Alaska communities to tap into the flow. The pipeline and North Slope gas treatment plant together would require an estimated 1.5 million tons of steel.

The state of Alaska is in charge of selecting the off-take points; that work is continuing.

No public meetings by the project sponsors or government agencies are currently scheduled on the Kenai Peninsula at this time. The mayor's office will post any meetings on this website as they are scheduled.