

Report  
Submitted to the  
United States Congress  
by the Federal Energy Regulatory Commission

Seventeenth Report to Congress on Progress Made in Licensing  
and Constructing the Alaska Natural Gas Pipeline

February 2014

## Seventeenth Report to Congress on the Alaska Pipeline

### **I. Executive Summary**

The Federal Energy Regulatory Commission (Commission) submits this report pursuant to section 1810 of the Energy Policy Act of 2005 (EPAAct 2005).<sup>1</sup> Section 1810 of EPAAct 2005 requires that the Commission submit to Congress semi-annual reports describing the progress made in licensing and constructing an Alaska natural gas pipeline and any impediments thereto.

This report provides an update from the Commission's Sixteenth Report, submitted on August 30, 2013. That report highlighted the Alaska South Central Liquefied Natural Gas (LNG) Project under consideration to transport North Slope gas to a natural gas liquefaction and export terminal at a tidewater location in south-central Alaska.<sup>2</sup> In October 2013, project sponsors announced the selection of Nikiski, located on the Kenai Peninsula, as the site for the prospective LNG terminal. The pipeline for the project would transport between 3 and 3.5 billion cubic feet per day (Bcf/d), providing North Slope gas to Alaskans for in-state use, and ultimately to the LNG export terminal that would have an export capacity equivalent to 2 to 2.4 Bcf/d. In January 2014, the State of Alaska and North Slope producers, along with TC Alaska, signed agreements intended to advance the planning for project.

### **II. Status Report**

#### **A. TC Alaska's Proposal**

On May 11, 2012, TC Alaska notified the Commission that it was curtailing interim work on the North Slope to Alberta option of its planned Alaska Pipeline Project while requesting to maintain the record in Docket No. PF09-11 for potential future use.<sup>3</sup> TC Alaska's October 2013 and January 2014 Quarterly Reports to the Commission stated that: 1) no stakeholder engagement had occurred in the past reporting quarter; 2) pipeline

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<sup>1</sup> P.L. 109-58, 119 Stat. 594 (2005), 42 U.S.C § 15801 *et seq.*

<sup>2</sup> ConocoPhillips Corporation and BP p.l.c. would join TransCanada Alaska Company, LLC's (TC Alaska) and affiliates of Exxon Mobil Corporation in the approximately 800-mile-long pipeline – LNG export terminal project, estimated to cost approximately \$45 - \$65 billion.

<sup>3</sup> The open docket will preserve project-specific filings and allow for the submission of quarterly status reports by TC Alaska.

engineering and technology development work initiated to date has been completed and documented; 3) engineering deliverables for the Gas Treatment Plant have been archived for potential future use; and 4) no environmental planning or permitting work had been conducted in the past quarter.

## **B. The Commission's Activities**

The Commission remains ready to resume its responsibilities as the lead federal agency for conducting the National Environmental Policy Act (NEPA) review of any future proposal by TC Alaska or any other entity. The Commission continues to monitor activities regarding any natural gas pipeline or LNG project in Alaska for which the Commission would have jurisdiction.

The federal permitting agencies are prepared to resume working under the Commission's pre-filing process and to continue the preparation of an environmental impact statement once either TC Alaska re-engages its pre-filing activities or another entity files an application with the Commission.

## **III. Related Activities**

### **Operations of the Federal Coordinator**

The Office of the Federal Coordinator for Alaska Natural Gas Transportation Projects (OFC) continues to coordinate the actions of federal agencies regarding Alaska natural gas transportation projects and to provide a liaison function to ensure communication with Congress, the State of Alaska, and federal U.S. and Canadian agencies. In January 2014, the OFC announced to the federal interagency working group members that the State of Alaska has signed a pair of agreements with North Slope producers ExxonMobil, ConocoPhillips and BP, along with pipeline partner TransCanada, intended to advance an Alaska LNG export project consisting of a North Slope gas treatment plant, an 800-mile pipeline to Nikiski and a liquefaction plant and marine terminal. As per the agreements, Governor Sean Parnell introduced legislation on January 24, 2014 that, if approved, would allow the state to take an equity stake in the LNG project and take ownership of gas in lieu of any tax and royalty payments. Under the deals between the state and companies, the project would ramp up pre-front-end engineering and design (FEED) this year, moving to a decision on full FEED, potentially in 2016. First gas deliveries are anticipated in the 2022 to 2025 time frame with construction possibly starting before the end of this decade.

The OFC provides updates on its website ([www.arcticgas.gov](http://www.arcticgas.gov)) regarding national and world-wide natural gas issues that may affect the ultimate disposition of Alaskan North Slope natural gas.

#### **IV. Conclusion**

No progress has occurred since the last report on a project bringing Alaskan natural gas from the Alaskan North Slope to lower 48 state markets. However, the Commission is ready to move forward to the next step in its NEPA process when TC Alaska or another entity decides to proceed with a pipeline to serve North American markets or, more likely, embarks on a project to liquefy and export natural gas to foreign markets. Until such time as TC Alaska requests otherwise, the Commission will keep Docket No. PF09-11 open to maintain the existing record and accept filings of quarterly status reports and related items.