

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

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

February 2012

# Thirteenth Report to Congress on the Alaska Pipeline

## I. Executive Summary

The Federal Energy Regulatory Commission (Commission or FERC) 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 Twelfth Report, submitted on August 25, 2011. During the period covered by this report, TransCanada Alaska Company, LLC (TC Alaska) continued development of the project toward its goal of filing a complete application for a Certificate of Public Convenience and Necessity in October 2012. The Commission staff continued to advance the National Environmental Policy Act (NEPA) review of the project by conducting public scoping meetings and other activities in Alaska.

## II. Status Report

### A. The Commission's Activities

The Commission continues to execute its responsibilities as the lead federal agency for conducting the NEPA review of the TC Alaska proposal. Currently, the federal permitting agencies are working under the Commission's pre-filing process and will initiate preparation of an environmental impact statement (EIS) when TC Alaska submits a complete application containing all of the information that the Commission and other agencies would need to evaluate the proposed project.

On December 9, 2011, the Commission issued a *Notice of Public Scoping Meetings* to provide schedule and location details for seven scoping meetings in the project area. The meetings locations of Anchorage, Fairbanks, Delta Junction, Tok, Barrow, Nuiqsut, and Kaktovik, initially spanned the period January 18 through February 8, 2012. The Notice also reminded the public that scoping would close on February 27, 2012, as previously identified in the Commission's August 1, 2011 *Notice of Intent to Prepare an Environmental Impact Statement and Request for Comments on Environmental Issues*.

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

Subsequently, TC Alaska informed the Commission that it intended to delay the filing of its draft environmental Resource Reports<sup>2</sup> (expected on December 15) because it was in exploratory discussions with the Alaska North Slope gas producers regarding the potential for the project to deliver gas to a liquefied natural gas terminal for export (“LNG option”). As a result, the Commission issued a *Notice of Cancellation* for the first of the scheduled public scoping meetings (Anchorage).<sup>3</sup>

On January 13, 2012, TC Alaska filed its draft Resource Reports and the Commission rescheduled the scoping meeting in Anchorage for February 13, 2012. The Commission and the other permitting agencies will be reviewing the reports to identify any data gaps that must be filled before the application to the FERC will be complete.

The Commission formally initiated government-to-government consultation with Alaska Native tribes whose villages could be directly affected by the project in November 2011. In January and February, the staff began the process of conducting consultation meetings with the interested tribes. The Commission is leading this effort on behalf of all of the federal agencies with a government-to-government responsibility on this project: the Department of Interior’s Bureau of Land Management, the U.S. Army Corps of Engineers, the U.S. Coast Guard, and the Department of Transportation’s Pipeline and Hazardous Materials Safety Administration (PHMSA).

## **B. TC Alaska’s Proposal**

The Alaska Pipeline Project (APP), as contemplated by TC Alaska, consists of a gas treatment plant (GTP) near Prudhoe Bay, about 58 miles of 32-inch-diameter pipeline from the processing plant at the Point Thomson Field to the GTP, and about 745 miles of 48-inch-diameter mainline pipeline from the GTP to the Alaska-Yukon border. All items related to TC Alaska’s project are available to the public in FERC’s eLibrary under TC Alaska’s pre-filing docket (Docket No. PF09-11-000).

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<sup>2</sup> The environmental Resource Reports will constitute the environmental component of TC Alaska’s application to the FERC. FERC regulations require that applications under the Natural Gas Act contain the following Resource Reports (18 CFR 380, App. A): 1. General Project Description; 2. Water Uses and Quality; 3. Vegetation and Wildlife; 4. Cultural Resources; 5. Socioeconomics; 6. Geological Resources; 7. Soils; 8. Land Use, Recreation and Aesthetics; 9. Air and Noise Quality; 10. Alternatives; and 11. Reliability and Safety.

<sup>3</sup> The Notice explained that the draft Resource Reports are necessary to further define the project and its potential impacts on the environment in order for the public, the Commission, and other federal, tribal, state, and local agencies to properly evaluate and provide meaningful scoping comments.

As part of the pre-filing process, TC Alaska files monthly status reports with the Commission summarizing the major activities it conducted during the reporting period. According to its status reports, TC Alaska completed its summer 2011 engineering and environmental field programs, and continues analysis of the data collected in the 2010 and 2011 field seasons. Preliminary planning for the 2012 field program is in progress. The company is continuing technology development programs, including frost heave and uplift resistance testing and tensile and strain capacity modeling, and is working with PHMSA to develop the pipeline design information necessary to meet its regulatory filing requirements.

In October 2011, TC Alaska contracted with the Alaska Department of Fish and Game (ADF&G) to conduct comprehensive subsistence baseline studies in the Alaska communities located along the proposed pipeline corridor. This study is being conducted over a two-year period by the ADF&G's Division of Subsistence in collaboration with the study communities. In the last report, the Commission stated that TC Alaska had delayed initiation of subsistence studies that require more than one year of data gathering and analysis, and that the delay could reduce the probability of TC Alaska filing of a complete application with the Commission in October 2012. Although not all of the communities will be surveyed in time for the FERC filing in October 2012, TC Alaska and the relevant agencies have developed a strategy for providing the necessary information for inclusion in the draft EIS.

As described above, TC Alaska filed its draft environmental Resource Reports with the Commission on January 13, 2012. The company indicates that it is prepared to resolve any issues and deficiencies the agencies identify in the reports in order to file a complete application with the Commission by its target date of October 2012.

### **III. Related Activities**

#### **A. 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.

Accordingly, the OFC prepared a major federal permits matrix for use by project applicants, government agencies, and the public. The matrix uses a web-based format for easier searches and comparisons of the relevant agencies, laws, regulations, guidance materials, and personnel involved with each major federal authorization needed for approval of the project. It also illustrates how the permits and approvals fit within the

FERC environmental review process. The permits matrix is available on the OFC's website ([www.arcticgas.gov](http://www.arcticgas.gov)).

To facilitate the distribution and collection of information for stakeholders, the OFC developed a section of its website that focuses on the NEPA review of this project. The section includes information on how the public can get involved in the project, a schedule of NEPA related meetings, links to NEPA related documents, and information on what to expect during each of the NEPA steps, i.e., scoping, draft EIS, final EIS, and agency decisions.

Since the last report, the OFC published its third semi-annual Attention Items Update to the project implementation plan. The status of the majority of issues has not changed significantly and the office continues to monitor these issues and assist in coordination efforts as appropriate between the project proponent and federal permitting agencies.

## **B. Department of Energy**

The Department of Energy's Loan Program Office (LPO) reports that funds were provided for the LPO to work on TC Alaska's project. However these funds were subsequently rescinded in FY 2011 and therefore the LPO is precluded from doing any work on the project. The project has been assigned to this office from Fossil Energy, but the LPO cannot allocate any resources to it until funding is provided.

## **C. Developments in Canada**

According to its status reports, TC Alaska is continuing the commercial process, field studies, and public engagement necessary to develop the Canadian segment of the APP, which is also known as the Foothills Project. Concurrently, Canada's Northern Pipeline Agency (NPA) continues to coordinate the actions of Canadian federal agencies and to engage with the governments of British Columbia and Yukon. The NPA is in consultation with nine Yukon First Nations regarding the process of extending the term of the existing Foothills pipeline easement agreement beyond the current expiration date of September 20, 2012.

#### **IV. Conclusion**

Key milestones were achieved in the development phase of TC Alaska's application to the Commission since the last report. Specifically, the Commission staff conducted the NEPA scoping meetings and initiated formal Government-to-Government consultation with Alaska Native tribes. In addition, TC Alaska filed its draft environmental Resource Reports. The upcoming 2012 field program is of critical importance for TC Alaska as it works to address the data gaps in its draft Resource Reports identified by the permitting agencies in time to file a complete application with the Commission in October 2012.