UNITED STATES OF AMERICA

FEDERAL ENERGY REGULATORY COMMISSION

Docket No. PF14-21-000

Alaska Gasline Development Corporation

BP Alaska LNG, LLC

Exxon Mobile Alaska LNG, LLC

TransCanada Alaska Midstream, LP

Alaska LNG Project

Nenana Native Council

806 G, Street

Nenana, Alaska 99760

Wednesday, November 18, 2015

The public comment meeting, pursuant to notice, began at 6:03 p.m. Before a panel:

MAGGIE SUTER, Environmental Project Manager, FERC

Also:

MARK JENNINGS, Alaska LNG

P R O C E E D I N G S

MS. SUTER: Good evening. On behalf of the Federal Energy Regulatory Commission Staff or FERC, I'd like to welcome you all here tonight. This is an Environmental Scoping Meeting for the Alaska LNG Project proposed by the Alaska Gasline Development Corporation, BP Alaska LNG, Conoco Phillips Alaska LNG Company, Exxon Mobile Alaska LNG and TransCanada Alaska Midstream. Let the record show that the public scoping meeting in Nenana, Alaska began at 6:03 p.m. on November 18, 2015.

As you can tell, I have a little bit of a speech here this evening to give for you. I'm going to follow the speech pretty closely and that's just to make sure that you guys receive the same message that we've been presenting every single evening throughout this week. So my name is Maggie Suter and I am an Environmental Project Manager with the Commission's office of Energy projects. With me at the front table is Jennifer Lee who is with National Resource Group, an environmental consulting firm who's helping us prepare the Environmental Impact Statement or EIS. Also with FERC this evening at the front sign-in table is Andrea Thornton and Missy Somers, who are also with NRG. We also have with us tonight Don Perrin with the State Permitting Office. For the Alaska LNG Project, the FERC is the lead Federal Agency with the responsibility under the

National Environmental Policy Act or NEPA and that gives us the responsibility to consider the potential environmental impact associated with the Project and we have to prepare an Environmental Impact Statement associated with the liquefied natural gas terminal or LNG and any associated natural gas pipelines or facilities.

The primary purpose of tonight's meeting is to give you with an opportunity to comment about the Project or the environmental issues that you would want to see us address in that Environmental Impact Statement. It will help us the most if your comments are as specific as possible about the potential for environmental impacts or reasonable alternatives for the Project. Issues can generally focus on the potential for environmental effects but can also address construction issues, mitigation and the Environmental Review Process as a whole.

In addition, the meeting tonight is designed to give you an opportunity to meet with Alaska LNG Representatives, ask them questions and get more detailed information about the Project. I have asked Alaska LNG to provide a brief overview of the Project. Following that overview I'll explain the Environmental Review Process that FERC will have and then we will begin taking your comments. So with that, I'm going to ask Mark Jennings to come one up and explain the Project a little bit.

MR. JENNINGS: Hi, thank you, Maggie. My name is Mark Jennings and I'm with the Alaska LNG. I'm a socioeconomic adviser on the Project. I'm going to provide you about a five or six minute project overview and Elena right now is handing out sort of what looks like a PowerPoint presentation in hard copy format. I'm going to be speaking from that so it will give everybody a chance to follow along if you want to. There's some pretty good information on that.

I'm with some colleagues tonight from the Alaska LNG Project. Mostly in the back of the room over here but that was Elena #Antonokos who is a member of the Environmental Impact Statement Team for the Project. Also in the back is David Sinclair. He's a land expert on the Project. Next to him is Luke Marody. Luke is a pipeline engineer designer and next to Luke is Eva Welch. Eva is a Stakeholder engagement expert on this Project.

Similar to Maggie, I'm going to be reading from a script as well. The reason is there are six meetings this week, different locations and we've got split teams doing the meetings so we are trying to make sure that we deliver the same message at all the venues so that's what we're doing here. I'm going to go ahead and speak to these PowerPoints that you've got in your hand. I'm going to flip to that first page, Project Overview and you've got a map

and some facts about the Project in general, just some general things. I will go ahead and talk to you about that.

As was previously mentioned, I will just go over it again. Alaska LNG Project is comprised of five participants, the State of Alaska through the Alaska Gasline Development Corporation, BP, Conoco Phillips, Exxon Mobile and Trans Canada. Among those five participants we've got a core group of approximately one hundred and thirty people who work on this Project full time. We've been working on the Project now for over two years, probably about thirty months.

The proposed Project is going to take natural gas from the Point Thomson and Prudhoe Bay fields on the North Slope, process it through a new gas treatment plant to be built as part of this Project and what the gas treatment plant does, and I will get into that a little bit more, it extracts impurities from the gas. We are looking to transport just pure methane, really. Once the gas has been treated, it will transport it down a new 800-mile pipeline.

It will be a natural gas pipeline and it will be buried for the vast majority of the route to a new liquefaction facility and that's a place where the gases, the state is changed from a gas to a liquid and that new liquefaction facility will be located in Nikiski. That's the lead site for it currently. The purpose of liquefaction

is to make it much more efficient to export the gas to markets around the world. Along the length of the pipeline itself and it's approximately 800 miles in length, there will be a minimum of at least five off-takes to provide access to gas for in-state use.

The location to those off-takes are currently being worked by the State of Alaska, so we don't have the locations yet. It will be a minimum of five. So there are some other good facts in there if you just want to take a peek at that map. It highlights the liquefaction facility, the gas treatment plant, that sort of thing. You can come back to it also. I'm going to go ahead and flip the page now and talk briefly about the Project schedule and some of the milestones.

This is a pretty simple schedule here and you can see where we are. We are under the red arrow, it's sort of an investigation phase. But this will give you an overall idea of how long it takes a project like this to happen. Right now the part that we are in is called the Preliminary Front End Engineering and Design. The acronym for that is pre-FEED, but what that really means is we're in an investigation phase right now for the Project.

We're doing a lot of field work to better define what our facilities are going to look like, where they are going to be located, how they should be laid out and we are

working on how much all of this will cost. Currently, the cost estimate for this Project, which would include the pipeline, gas treatment plant, the LNG facility and the marine terminal as well as some feeder pipelines is in the range of 45-65 billion dollars.

We're working to fine tune that though because this is something you always want to do. We are trying to lower our prices to the extent that we possibly can to make the Project as competitive as possible. So after the pre-FEED phase that we're in now, after that wraps up, all the owners, those five participants that I listed before, we get together and we evaluate all the work that's been done to that point to make a decision on whether or not we move forward with the what's called the FEED phase where that's the Front End Engineering and Design.

That's really the final engineering, all the tweaking that needs to be done. Specifications are all complete, we know right where we want to put it. We know where camps and other features are going to be located and all that kind of thing. The costs are fine-tuned at that point. We also have made our way through the regulatory process at that time. We have worked through the land access issues and there are a lot of those over the length of an 800-mile pipeline and a big LNG facility near Nikiski and then we work on defining what our workforce is going to

look like, how it's going to come together and what our contracting strategies are going to be.

When the design and cost estimates, all of that is completed at the end of that FEED portion, then this is the major decision point that we reach at this point. This is when all the participants get together on whether or not to proceed with the construction of the Project. It's called the Final Investment Decision, and that's the big one. If the Final Investment Decision is made then we will proceed, construction starts and that involves literally tens of thousands of people and tens of billions of dollars, so that's a major commitment.

This sort of just walks you through in a simplistic fashion, how we've reached that point. I'm going to go ahead and flip, talk a little bit about the gas treatment plant and once again there's some good facts and figures there for you. So the natural gas or the methane that exists in fields on the North Slope, deep below the ground and the two principal fields that we are looking to obtain gas from are at Prudhoe Bay and at Point Thomson.

The gas is cold underground and is going to require pressure to move. So before they can be placed in the pipeline the gas has to be treated to move carbon dioxide, water, there are some other impurities in there also. All that's extracted with this new gas treatment

plant that is to be built at Prudhoe Bay and there are some statistics there. It would be about a 200-acre facility, require about two hundred fifty thousand tons of steel, it would require several thousand people to construct it and it would be a modular type construction. It would be the largest facility on the North Slope when completed.

The gas treatment plant would treat about 3.3 billion cubic feet per day of natural gas and in order to get that gas to that gas treatment plant again gas transmission lines will have to be constructed from the Prudhoe Bay central gas facility to this plant, about a mile I think or maybe less than a mile and from the Point Thomson field and that Point Thomson gas transmission pipeline would be about sixty miles in length. So once the gas is treated, the impurities are removed, you end up with almost pure methane and it's that pure methane that we then move into this new pipeline, the 800-mile pipeline.

So we are going to flip the page and talk about that. There's a map that's a little bit difficult to see in this format but you can see that's essentially the route. We have a larger map over on the wall that is this same map that's behind us. You're invited to come over and take a look at it after the talk tonight. Here's some facts about that pipeline. I will just sort of walk us through it.

From the gas treatment facility the treated gas

is going to be placed into a 42-inch diameter pipeline and it's going to rival the Trans Alaska Pipeline in length. This pipeline is roughly eight hundred miles from the North Slope down to Cook Inlet but there are some key differences and I want to point those out. TAPS of course carries oil. This pipeline will only carry natural gas. TAPS is above ground for the majority of it. This pipeline will be below-ground buried for the vast majority of it.

A couple of key thinks to keep in mind, we do need to come above-ground at fault crossings and a couple of the waterway crossings where it's just best engineered above to go over rather than not but for the vast majority of it this is a buried pipeline. The Alaska LNG Pipeline will run basically alongside the TAPS Pipeline, the existing Trans Alaska Pipeline from Prudhoe Bay South to the Livengood area. But at Livengood is where we deviate from the TAPS alignment and we move essentially straight south. You will be able to see it on the map on the wall behind us.

It's a southerly route, kind of like a Parks Highway alignment. It goes south to the Cook Inlet area. We will talk about all of that here. It's an 800-mile pipeline so to keep the gas moving there will have to be compression stations along the way. We're talking about eight of them initially right now. That would be about one every hundred miles or so, so that's a piece of

infrastructure that just is necessary for a project like this, much as TAPS has pump stations along the way. Those compression stations provide constant pressure on the gas and in some cases they help maintain the temperature as well. Associated with this pipeline are some off right-of-way facilities and we talk about one right-of-way and off right-of-way. On right-of-way facilities would be anything that is right along the pipeline right-of-way and that would be the pipe itself, the pipeline itself and the compression stations, but there is off right-of-way facilities as part of a project like this and these would be things like the temporary work camps where people will be housed during construction, lay-down yards for the pipe when we stage it along the route, pipe laying down yards. It would include railroad sightings, some things like that that might have to be expanded along the railroad line, access roads, some things like that.

We're working on the locations of all that now. We don't have that to show you tonight but we will on the next trip back. We intend to come back and be able to show you where preliminary locations and all that are. That is ongoing work, as I just mentioned. As we develop those we try to refine the locations based on public feedback that we get and regulatory agencies that have comments on that sort of thing too.

I mentioned that there are plans for at least five off-take points along the pipeline. The locations of those are currently being worked by the State of Alaska but the principal behind that is to make gas available along the route to communities with the hope that we can help lower stabilize energy prices. So once the pipeline reaches Cook Inlet and we will see it when we take a look at that big map back there or you can kind of see it on this little one. It's going to reach Cook Inlet on the west side near Tyonek and Beluga, those two little communities on the west side of Cook Inlet.

We then cross beneath Cook Inlet, so it's an underwater pipeline at that point across before Cook Inlet and it comes ashore on the west side of the Kenai Peninsula, just north of the community of Nikiski at a point called Boulder Point. That's where the pipeline comes out of the water, it remains buried however in the ground from Boulder Point. It's just a couple of miles from there to the Nikiski Industrial Area, which is currently our lead location for the LNG Plant. That Nikiski Industrial Area, if any of you are familiar with it, Nikiski is just north of the city of Kenai and there is an industrial area up there with a big Agrium fertilizer plant, there is the #Tesoro Refinery.

It's an area where there is some large industry

already. There is also a small LNG plant in existence there. Conoco Phillips has been operating it for many years. So go ahead and take a look at, you know, digest those facts as you will and you can always come back to them. We will flip a page and we will talk about the LNG plant and the marine terminal. So there is a little picture there that you can see and this is just really an artist's rendering of what this facility would look like if you were you know up in the air obviously, looking from the east westward toward Cook Inlet and you are looking over the top of this proposed LNG facility.

In order to load gas, and this Project is mainly an export project, off-takes for in-state use but the remainder of gas is going to be exported, that's the plant. In order to do it, you liquefy the gas because it can be transported much easier on ships that they call LNG carriers. From Nikiski those LNG carriers will carry the gas to markets around the world. So the point of liquefaction, why would we want to liquefy the gas is because when you change the gas from its gaseous state to a liquid you reduce the volume of it by a factor of six hundred times.

What this would mean is a single ship carrying liquefied natural gas, or LNG, one of those ships you would, if you were to just simply ship the same quantity of gas in

its natural gas form, it would require six hundred ships so you can transport the same amount of energy essentially of one liquefied natural gas that you can with six hundred ships carrying natural gas in its atmospheric state. That's why you want to liquefy it but the liquefaction process is extremely complicated and we will talk about it here.

The LNG carriers are essentially like a giant thermos bottle. I'm getting ahead of myself. I will describe first how we liquefy the gas. What you do is once the gas comes via the 800-mile pipeline into the LNG plant, it goes through several processes to super-chill it and you have to chill it to -260 degrees Fahrenheit and that's the point at which it ceases being a gas and becomes a liquid. In order to maintain that liquid, you have to keep it at -260 degrees Fahrenheit. So these LNG carriers, these ships are like giant thermos bottles that float across the ocean and they keep the gas at that temperature so that it remains in its liquid form as they are transported to markets.

The plan is, right now, with that 3.3 billion cubic feet of natural gas less what comes off for in-state use, that gas will require fifteen to twenty LNG carriers to visit the Nikiski terminal every month to transport the gas around the world. You wonder how can we do that successfully. The answer is yes, because since 1969 Conoco Phillips has had an LNG plant in Nikiski, right in this

industrial area. It's a lot smaller than what we are proposing, but it's a plant that has been in operation and selling LNG to markets primarily in Japan for over forty years.

So, this is a technology that is known and proven and Nikiski is a known and proven place where this can occur. Before we sort of settled on Nikiski though as our principle location to investigate, twenty other locations around the state of Alaska were investigated along with Nikiski. There were criteria that were used to sort of weight the different sites against each other and among those criteria were things like geotechnical risk, access to local infrastructure and industrial services.

We had to find a location that had essentially eight hundred relatively flat acres that we could use to develop an industrial facility. We had to have good water depth, the weather had to be pretty predictable. We had to understand the bathymetry that had to work in our favor and we had to understand ice buildup conditions, that sort of thing. Based on all of that, plus probably a few other things, Nikiski was chosen as the lead site. That's how we got to that.

For the last year and a half, eighteen months or so, Alaska LNG has been purchasing land in the Nikiski area in order to site this LNG plant and we currently have about

six hundred acres under control either outright purchase or under purchase sale agreements with the land owners down there. That's where we stand with that.

I didn't talk a whole lot about the marine terminal but that's an element that you'll see coming off the, take a look at that picture, you can see what looks like a trestle extending out into Cook Inlet with a couple of berths at the end. That's the marine terminal and that's where a pipe will be constructed to transport the LNG from the storage tanks that you can see in that picture, out to the ships. It's a double berth system out there at the end of that trestle. That essentially comprises the marine terminal aspect of this.

With that, I think that's about all we have. Let's see, yes that is. That completes the overview. Members of the Alaska LNG team are going to be here after the formal part of the process tonight so if you have any more questions, come talk to us. We have some maps back there where we can work you through the local Nenana area if you want to see where the pipeline is in relation to this area or we can talk to you about any of the other aspects of the Project. So Maggie, thank you very much.

MS. SUTER: Thank you, Mark. So as Mark said, after the meeting, the formal part of this meeting is closed, Alaska LNG Representatives will be available, FERC

staff representatives will also be available if you want to ask us any questions or talk with us some more informally. Now I am going to briefly go through the FERC Environmental Review Process and to do that there is a flowchart that we've created and this isn't to time scale, it's just to fit all the pieces on one page. We have a much bigger version of this flowchart that was up over near the sign-in table. You can take a look at it later.

Copies of this were also in the Notice of Intent that was mailed out. If you didn't receive copies of that we do have extra copies of at the table as well. The important part of this flowchart to demonstrate is that we are in an early part of our Environmental Review Process. The applicants entered what we call the pre-filing process on September 12, 2014. That began our review of this Project. The purpose of pre-filing review process is to encourage the involvement by all interested stakeholders in a manner that allows the early identification and resolution of environmental issues.

So as of today, no formal application has been filed with the FERC, but we have began review of the Project along with other Federal, State and local agencies. On March 4, 2015, we issued this Notice of Intent or NOI to prepare an EIS for the Project and that initiated a public scoping period. The scoping or comment period will end on

December 4, 2015. Once the scoping period is finished, our next step is going to be to begin analyzing the information and the issues that have been identified during that scoping period.

We will assess the Project's effects on: water bodies and wetlands, vegetation and wildlife, endangered species, cultural resources, soils, land use, air quality, noise, safety, health, subsistence, as well as socioeconomic impacts on transportation and infrastructure. We will also evaluate alternative sites. During our review we will assemble information that is provided from a variety of sources which will include information from the applicant themselves along with information provided by the public and other Federal, State and local agencies and then we will also include our own independent analysis and field work.

We will use that information to prepare a draft Environmental Impact Statement. That draft EIS will be distributed to the public for a comment period. During that comment period, we will hold more meetings like the one here tonight to gather information and feedback on our analysis and findings that are in that draft EIS. After making any necessary changes and additions to the document, we will issue a final Environmental Impact Statement that will also be distributed to the public.

I'm going to note that because of the size of

this Project and our mailing list and our efforts to reduce the cost of printing and the amount of paper that we go through, the mailed version of the EIS will be on a CD. However if you prefer to have a hard copy of the document, we are more than happy to send one to you. There are two ways to let us know that you'd prefer that. There is a form on the back of this Notice of Intent that you can tear off and mail to us and there's a box you can check that says please send a paper copy and we will send you a paper copy.

You also can sign in at the front table and put your mailing address and check a box there that tells us you would like to receive a hard copy and we will make sure that you receive those. If you receive that Notice of Intent in the mail, then you are already on our mailing list and you will continue to be on our mailing list in the future. However, if you did not receive this and you would like to make sure that you get on our mailing list so that you can receive any notices or any information that we send out so that you receive the Environmental Impact Statement, then please sign in at the front table and that will make sure that you get on our mailing list in the future.

There are many ways for you to participate in our process. Tonight's meeting is just one of those where we're going to offer you an opportunity to come up here and you can speak any comments that you have to us and those will be

transcribed and placed into the public record. In addition you can submit comments by mail and we have forms at the front table that tell you how to do that and where to send them. Or we have an electronic format where you can submit your comments electronically right through our website and again there are instructions on how to do all of that in this notice of intent that was mailed out or there are forms at the front table that will tell you how to do that.

It is very important that any comments that you mail or submit electronically include our internal docket number for that Project. The docket number is PF14-21 and that docket number is included on every form and handout that we have available for you this evening. Including that docket number on your comments ensures that the FERC Staff evaluating the Project get your comments as soon as possible.

The EIS is being prepared to disclose to the public and to the Commission what the environmental impacts of constructing and operating this planned Project would be. The EIS is not a decision document and it does not constitute approval of the Project. After the EIS is issued, there are up to five Commissioners at FERC who are responsible for making a determination on whether to authorize the Alaska LNG Project. The Commissioners will consider the environmental information from the EIS along

with non-environmental issues in making a decision to approve or deny the Project.

So that's a very brief overview of our Project and I'm sure I can answer more questions about how our process works as we go. But first I would like to offer an opportunity. We are going to hear comments from those of you who are here tonight if you're interested. If you would prefer not to speak, that's perfectly fine. You can submit comments later in time. Whether you submit comments you know, in writing to us or you come up and present them verbally, they are considered equally by FERC staff and will be given equal attention.

If you haven't noticed, we have a transcription service here this evening to record your comments. This is being done so all of your comments and questions can be transcribed and placed into the public record and then all the FERC Staff working on this Project can go back and hear and understand the comments that have been made. To help the court reporter produce an accurate record, I hope that we can just follow a few basic ground rules.

If you wish to speak, we will have you come up one at a time. I ask that you come up to the front table over here where there is a recording device so that he can capture all of your comments. I ask that you say and spell your name for the records so that we can get those down

accurately. Most importantly, I just ask that everybody respect the person who's speaking. It's difficult for some folks to get up here and present those comments so you know, whether you agree or disagree with what they have to say, I ask that you wait until they are done making all their comments and then you can show any sign of verbal agreement or disagreement that you have for those.

With that, nobody signed up to speak, but I'll ask does anybody want to make any comments this evening?

(No response)

MS. SUTER: No pressure. Okay, with that, I'm going to close the formal part of this meeting but then we're here to answer any questions informally that you may have and you can go look at the maps that Alaska LNG has and talk to them as well. With that on behalf of the Federal Energy Regulatory Commission, I'd like to thank you all for coming tonight. Let the record show that the public scoping meeting for the Alaska LNG Project in Nenana, Alaska concluded at 6:31 p.m. Thank you.

(Whereupon, at 6:31 p.m., the public scoping meeting in Nenana, Alaska concluded.)