



Federal Energy Regulatory Commission
April 16, 2009
Open Commission Meeting
Staff Presentation
Item C-1

“Good morning Chairman and Commissioners. In Item C-1, EcoEléctrica seeks to amend its Natural Gas Act section 3 authorizations in order to increase the existing sendout capability of its LNG terminal in the Commonwealth of Puerto Rico. In 1996 EcoEléctrica was authorized by the Commission to site, construct, and operate its LNG importation facilities. EcoEléctrica began operation of its LNG terminal and its affiliated 461-megawatt electric cogeneration facility in 2000. Now EcoEléctrica seeks Commission approval to install additional LNG vaporization equipment at its LNG terminal in order to deliver natural gas to the Puerto Rico Electric Power Authority for the Power Authority’s Aguirre Combined Cycle Power Plant.

After receiving local approvals in 2008, the Power Authority began constructing a 42-mile-long, natural gas pipeline from EcoEléctrica’s LNG terminal to its electric generation plant. The Power Authority will own and operate this pipeline. The Power Authority also modified the electric generation plant to include combined cycle generation units capable of burning natural gas.

Before 2000, the Puerto Rico was nearly fully dependent on fuel oil for electric power generation; however they are now fuel diversified using about 74 % fuel oil, 13% natural gas, and 13% coal. Approval of Item C-1 will allow the Puerto Rico Electric Power Authority to further diversify fuel sources with the additional access to natural gas from EcoEléctrica. In its study of its part of this project, the Power Authority recognized the significant air quality improvements of switching from fuel oil to natural gas and found that significant reductions in emissions of carbon dioxide, nitrogen oxides, sulfur dioxide, particulates, and volatile compounds are expected. If the power plant operates using the expected amount of natural gas expected, the carbon reduction would be 200,000 metric tons per year.

The draft order grants EcoEléctrica’s the authority to construct additional facilities at its LNG terminal under section 3 of the Natural Gas Act, subject to certain conditions.

This concludes staff’s presentation. We would be happy to answer any questions you may have.”