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BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

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IN THE MATTER OF: : Docket Numbers
NORTH BAJA PIPELINE EXPANSION PROJECT : CP06-61-000
: CP01-23-003
- - - - - x

Vaction Inn
2015 Cottonwood Circle
El Centro, CA
Tuesday, December 5, 2006

The above-entitled matter came on for public meeting,
pursuant to notice, at 7:08 p.m.

BEFORE: DAVE SWEARINGEN, FERC

P R O C E E D I N G S

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(7:08 p.m.)

MR. SWEARINGER: On behalf of the Federal Energy Regulatory Commission and the California State Lands Commission, I want to welcome you all here tonight. Let the record show that the El Centro Public Comment meeting began at 7:08 p.m., December 5, 2006.

My name is Dave Swearinger and I am the environmental project manager with the FERC, Federal Energy Regulatory Commission. At the end of the table is Tom Filler and he's with the California State Lands Commission. We are the respective environmental project managers for the production of the Environmental Impact Statement environmental impact report for the North Baja Expansion Project. I'm just going to abbreviate that as EIS, Environmental Impact Statement report. I'm going to call that an EIS for short.

My agency, the FERC, is the federal lead for the project and Tom's agency, the State Lands Commission is the state lead agency for the North Baja Expansion Project. Also with me tonight are Amy Davis and Dave Potter with NIG, the environmental contractor assisting us with the environmental analysis for the North Baja Project. Amy is to my left and Dave is at the sign-in table at the back.

1 The U.S. Bureau of Land Management is a
2 cooperating agency for the preparation of the EIS and is
3 using the document for evaluating amendments to the
4 California Desert Conservation Area plan and the Yuma
5 District resource management plan. Linda Kastol, from the
6 BLM, is in the audience. She's here with us tonight. If
7 you have any questions for the BLM, you can talk to Linda
8 after the meeting. She'll be glad to answer any questions
9 you may have.

10 The purpose of this meeting is for the FERC, the
11 State Lands Commission and the BLM to get your comments on
12 the draft EIS that we recently released. In a moment I'm
13 going to give a brief overview of the FERC process and then
14 the State Lands Commission will have a chance to discuss
15 their agency role in the North Baja Project.

16 To speak tonight, we have a sign-in sheet in the
17 back. If you could, I'd like for you to sign up there if
18 you haven't already. If you prefer not to speak tonight,
19 you can mail a comment letter to the FERC or submit comments
20 electronically. There's a sheet at the back table that has
21 instructions on how to use the FERC website for sending in
22 electronic comments and it also has a reiteration of what
23 was in the draft EIS of how to submit written comments to
24 the Commission. If you have any question on that, you can
25 also talk to me after the meeting. I'd be glad to explain

1 it further.

2 Where we are in the process. We're in the midst
3 of the 90-day comment period on the DEIS. That comment
4 period ends on December 28th. All comments that we receive
5 within the comment period we'll address in a final EIS. The
6 types of comments that are helpful to us are specific ones
7 to the project. If you read something in the draft EIS that
8 you think is incorrect or the analysis is flawed, then your
9 comment to point us in the right direction is very helpful.
10 To say something like, "Well, I don't like it" or "I think
11 it's wrong." I mean that's interesting, but it's not
12 particularly helpful because what we do is we take your
13 comments and then we use those to either add to our analysis
14 or revise the facts that we've presented. And then when we
15 issue the final, hopefully, then we've addressed the
16 comments that you have.

17 Sometimes our analysis will lead us to a
18 different conclusion than you might hope, but that's just
19 the nature of how these things work. So please be specific
20 with your comments when you send them in or when you make
21 them. Thank you.

22 I'd like to note that North Baja recently filed
23 an amendment to the proposed action that incorporates what
24 we call the Arrowhead Alternative that is discussed in
25 chapter 3 of the draft EIS. Thus, from this point the

1 facilities associated with the Arrowhead Alternative are
2 going to be part of the proposed action and we will evaluate
3 them as such.

4 If you received a copy of the draft EIS, you'll
5 automatically receive a copy of the final. If you did not
6 get a copy of the draft and you'd like to have a copy of the
7 final, you need to sign up on the sheet in the back so that
8 we have your address and know to send you a copy. There's a
9 stack of the CD versions of the draft EIS on the back table.
10 If you don't have one, you can pick one up on the way out if
11 you'd like.

12 Once we've finished the final EIS and mailed it
13 out, we'll forward that on to our Commission at FERC. The
14 FERC Commission will consider our environmental analysis
15 along with non-environmental issues in order to determine
16 whether or not to issue an authorization for the project.
17 Thus, the EIS in itself is one tool in the process and it is
18 not a decision-making document for the FERC.

19 Now I want to turn the meeting over for a minute
20 to Tom Filler so he can explain the State Lands Commission
21 involvement in the Baja Project and how his agency is using
22 the draft and final environmental documents.

23 MR. FILLER: Good evening and welcome. My name
24 is Tom Filler. I'm with the California State Lands
25 Commission. Our agency is the SEQA lead on this project and

1 basically our regulatory function is to make sure that the
2 document and the project are following the SEQA requirements
3 or the requirements that are set forth in the SEQA.
4 Therefore, as Dave said, we're basically in the comment
5 period for the draft document now. We'll receive the
6 comments and we look forward to getting those on the
7 document, and then those will be incorporate.

8 When that is done, at some point we will take the
9 document and take that forward to the Commission and
10 therefore the Commission will have the ability to certify
11 that everything in the document is in compliance with SEQA
12 or has followed the requirements of SEQA and therefore they
13 will certify the document as such. If they don't believe
14 that is correct, then they won't certify it and we'd have to
15 go back and adjust those discrepancy.

16 Then once that's done and the document has been
17 certified, the Commission will then, based on the findings
18 of the document, either go forward to approve or disapprove
19 the project. At that point, if they decided that it's a
20 good project, if the impacts have been mitigated or there
21 are overriding considerations, then they would approve it.
22 If they don't agree with that, then again that's subject to
23 their review and their discretion regarding if they would
24 disapprove the project based on those findings. So
25 basically, that's our process and they use that document as

1 a decision-making tool and it goes forward in that manner.

2 MR. SWEARINGER: Thank you, Tom.

3 Are there any questions regarding the purpose of
4 this meeting or any of the agency processes?

5 (No response.)

6 MR. SWEARINGER: We'll note that there are
7 representatives of North Baja in the back of the room. They
8 have some visual materials there, some alignment sheets. If
9 you have some questions specific to North Baja, after the
10 meeting they'll hang around and they'll be glad to answer
11 any questions that you may have.

12 With that, I'll go ahead and introduce the
13 speakers who have signed up. There is one person who has
14 signed up to speak. You'll note we have a transcription
15 service here and to make sure that we get your comments what
16 you need to do when you come up is to go ahead and spell
17 your name for the record.

18 Deborah Keeth.

19 MS. KEETH: Do I need to talk in the microphone?

20 MR. SWEARINGER: I think it helps. It helps.
21 You can sit in the chair or stand, however you want to do
22 it.

23 MS. KEETH: Deborah Keeth, D-E-B-O-R-A-H, last
24 name Keeth, K-E-E-T-H from the law firm of Shoot, Bahalli
25 and Wineberger and I'm legal counsel for the South Coast Air

1 Quality Management District.

2 The District is here tonight. We have intervened
3 in the proceeding and so we will be party to the proceeding
4 and we do plan on submitting detailed written comments on
5 the draft EIS. But we're here tonight just to outline a
6 couple of points of concerns that we have with the document.

7 Most fundamentally, we're concerned that the
8 project description and the definition of the project area
9 are inadequate. In our view, the project description only
10 discusses the construction of the pipeline and only looks at
11 impacts in the area immediately surrounding the pipeline and
12 we think that that's flawed. In our view, the project will
13 expand the capacity of the pipeline and bring a substantial
14 source of natural gas into southern California and we think
15 it's very important to look at that aspect of the project,
16 which is delivery and use of that resource of natural gas in
17 southern California.

18 Our concerns with the definition of the project
19 go in two directions. One is with the conformity analysis
20 and the second is with the NEPA and SEQA review. First, as
21 to the conformity analysis, the Clean Air Act, Section
22 176(C) requires agencies to determine whether the proposed
23 project is in conformance with the state implementation plan
24 and because the draft EIS has defined the project narrowly
25 as just construction of the pipeline, it's determined that

1 there are no emissions from the operation of the pipeline
2 and therefore will not violate the ozone and air quality
3 standard.

4 Because we believe that the project description
5 is flawed, as I described, the conformity analysis doesn't
6 look at whether or use and delivery of natural gas
7 throughout southern California will result in a violation of
8 the air quality standard for ozone, including the precursor
9 pollutants. Likewise, we have concerns about the NEPA and
10 SEQA reviews stemming from the definition of the project.
11 The environmental laws require the agencies to look at the
12 air quality impacts of the proposed project as compared to
13 the existing environment, the baseline condition. And
14 again, because the project is narrowly defined, it doesn't
15 look at the air quality impact of burning what's been called
16 "hot gas" in southern California. The District respectfully
17 submits that it's an important and critical element of this
18 project and is necessary for adequate review under both NEPA
19 and SEQA.

20 We understand that TransCanada has committed to
21 require its suppliers to meet the most stringent air quality
22 standards that are applicable. I'm sure you're aware that
23 the Public Utilities Commission in California recently
24 increased the standard for natural gas. So while the
25 District supports the present agreements in theory, we're

1 concerned that they won't actually result in improved or at
2 least maintain their quality level in southern California.
3 Rather it would be something like a FERC mandated mitigation
4 measure that requires suppliers to the new pipeline system
5 to treat their gas to a certain level that maintains air
6 quality that would effectively mitigate any air quality
7 impacts. We know that TransCanada is already committed to
8 achieving that if it's required. So we believe that it's a
9 feasible mitigation measure that the agency should consider.

10 We hope that the agencies will revise the draft
11 EIS and look at air quality impacts, make the analysis as we
12 believe is required under federal and state law. And we
13 also hope that FERC will conduct a full conformity
14 determination, including adopting mitigation measures as
15 necessary to reduce air quality impacts. And then we also
16 hope that the agencies will consider recirculating the draft
17 EIS based on the substantial information that we believe is
18 required to be included in the document. Thank you.

19 MR. SWEARINGER: Thank you, Deborah. We look
20 forward to the written comments that will be provided to us
21 later.

22 Is there anybody else here tonight that would
23 like to comment on the record?

24 (No response.)

25 MR. SWEARINGER: If not, then the meeting will

1 close. Anyone wishing to keep up with the official activity
2 associated with the North Baja Pipeline Project can use the
3 FERC website. Within our website there's a link called
4 eLibrary. If you type in the docket number for the project,
5 which is CP06-61, you can use eLibrary to gain access to
6 everything on the FERC record concerning this project,
7 including all the public filings and information submitted
8 by North Baja.

9 On behalf of the Federal Energy Regulatory
10 Commission, the California State Lands Commission and the
11 BLM, I want to thank you all for coming here tonight. Let
12 the record show that the meeting concluded at 7:23 p.m.
13 Thank you.

14 (Whereupon, at 7:23 p.m., the above-entitled
15 matter was concluded.)
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