

1. INTRODUCTION

On December 4, 2009, the U.S. Army Corps of Engineers (USACE), Alaska District, and six co-operating agencies initiated the National Environmental Policy Act (NEPA) process for the Alaska Stand Alone Pipeline (ASAP) Project. A Draft Environmental Impact Statement (DEIS) was issued on January 20, 2012 (USACE, 2012a), and the Final Environmental Impact Statement (FEIS) was issued on October 9, 2012 (USACE, 2012b). The FEIS examined the potential impacts of construction and operation of a proposed natural gas pipeline from the North Slope of Alaska to Fairbanks and the Cook Inlet area.

Since the publication of the FEIS, the Alaska Gasline Development Corporation (AGDC) has proposed revisions to the ASAP Project based on several design improvements that will increase efficiency, make gas more accessible or affordable, or reduce environmental impact. On July 23, 2014, AGDC submitted a revised Joint Permit Application for Permit under the USACE jurisdictional authority pursuant to Section 404 of the Clean Water Act (CWA) (33 U.S. Code [USC] 1344) and Section 10 of the Rivers and Harbors Appropriation Act of 1899 (33 USC 403) (AGDC, 2014a). AGDC also provided the USACE with a revised ASAP Plan of Development (POD) in 2014 (AGDC, 2014b). The USACE and the Applicant (AGDC) have initiated the Supplemental Environmental Impact Statement (SEIS) process to evaluate the proposed changes to the project. The SEIS is intended to fulfill the NEPA compliance responsibilities for the USACE and cooperating agencies.

The ASAP Project continues to be refined to improve design and feasibility, and to avoid or minimize environmental impacts as new information becomes available. The ASAP Project is a 727-mile-long, buried, linear pipeline spanning from Alaska's North Slope to an existing natural gas distribution infrastructure in the Southcentral region of the state (Southcentral). It has been extensively studied, although some feature characteristics have only recently been quantified. Some project features previously quantified have been re-evaluated and reconfigured, resulting in values that differ from those reported in previous documents. These project revisions and refinements are provided within this document.

1.1 PURPOSE OF THIS DOCUMENT

This Environmental Evaluation Document (EED) was prepared by AGDC to identify the changes to expected environmental impacts resulting from ASAP Project design revisions. The EED provides updated engineering design and environmental information, including the revised route and project footprint, as well as new baseline environmental data and changes to federal, state, and local regulatory settings. The EED uses the new design and environmental information to evaluate the change in expected impact to the physical, biological, and human environment.

The EED's purpose is to identify and evaluate environmental impacts associated with revisions to the ASAP Project. Specifically, this document reports changes in the type or degree of impact between the Project described in the published FEIS (USACE, 2012b) and the Project proposed in the Joint Application for Permit submittal to the USACE (AGDC, 2014a). This document has been prepared to supplement information provided in the FEIS, aiming to evaluate the change in impacts to the affected environment, as well as environmental consequences, through the use of quantitative and qualitative analyses.

1.2 PURPOSE AND NEED

The ASAP Project's purpose and need have not changed. The purpose and need of the Project have remained consistent since its inception. The ASAP Project will deliver North Slope utility-grade natural gas to Fairbanks, Southcentral, and as many other communities within Alaska as economically practical. The project will provide Alaskans with a stable, affordable, long-term supply of natural gas for heating and powering their homes and businesses.

The purpose of the AGDC, the sponsor of the ASAP Project, is established in Title 31, Chapter 25 of Alaska Statute (AS) 31.25.005.

AS 31.25.005 states that the Corporation shall, for the benefit of the state, to the fullest extent possible:

...develop and have primary responsibility for developing natural gas pipelines...and other transportation mechanisms to deliver natural gas in-state for the maximum benefit of the people of the state;

when developing natural gas pipelines...and other transportation mechanisms to deliver natural gas in-state, provide economic benefits in the state and revenue to the state;

assist the Department of Natural Resources and the Department of Revenue to maximize the value of the state's royalty natural gas, natural gas delivered to the state as payment of tax, and other natural gas received by the state;

advance an in-state natural gas pipeline...in a safe, prudent, economical, and efficient manner, for the purpose of making natural gas...available to Fairbanks, the South-central region of the state, and other communities in the state at the lowest rates possible;

...endeavor to develop natural gas pipelines ...to deliver natural gas...to public utility and industrial customers in areas of the state to which the natural gas...may be delivered at commercially reasonable rates; and

endeavor to develop natural gas pipelines ...that offer commercially reasonable rates for shippers and access for shippers who produce natural gas...

The ASAP Project helps meet the statewide demand for improved access to an energy source that is clean, reliable, and affordable. These demands have intensified to such a level in the Fairbanks area that the Alaska State Legislature has enacted an interim plan to provide some Fairbanks North Star Borough (FNSB) communities with Liquefied Natural Gas (LNG) by truck until an in-state gas pipeline can be developed (AS 44.88.010(a)). Furthermore, Southcentral's energy infrastructure relies almost entirely on natural gas, with three of four residents using it to heat and power their homes and businesses. The Cook Inlet Basin is currently the sole source of natural gas consumed in the Railbelt, but production has generally declined over the past decade, as reported in Alaska Department of Administration Alaska Oil and Gas Conservation Commission Monthly Production Reports (2014). Existing natural gas demands could fail to be met in Southcentral by as early as 2018¹. Although recent drilling and development activity has occurred in Cook Inlet, new wells remain unproven and may not satisfy the long-term energy demands for residential and commercial use. The ASAP project can supplement or replace the natural gas currently provided by these fields.

Natural gas will also help improve air quality in the Fairbanks area, which is adversely affected by widespread combustion of wood and coal. Fairbanks is currently classified as an air quality non-attainment area by the Alaska Department of Environmental Conservation (ADEC) and the U.S. Environmental Protection Agency (USEPA). Fairbanks air quality non-attainment is described in detail in documents provided on the ADEC Division of Air Quality website: http://dec.alaska.gov/air/pm2-5_ak.htm. Infrastructure for local gas distribution is currently being developed in and around Fairbanks, and a reliable supply of natural gas will result in cleaner air, as well as more affordable heating and electric power generation.

The ASAP Project will address these needs by providing up to 500 million standard cubic feet per day (MMSCFD) of utility-grade natural gas from North Slope gas reserves to in-state markets; thereby, meeting current and projected future in-state energy demands (AGDC, 2014b; Northern Economics, Inc., 2010), as well as helping to improve air quality in the Fairbanks area. Since the ASAP Project will transport utility-grade natural gas, it will be accessible to communities adjacent to the line that choose to tap into it and develop the required infrastructure for its use. The project will make expansion of commercial and industrial enterprises statewide possible. It will also provide a substantial number of jobs to Alaskans and economic benefit to the State of Alaska (SOA) through royalties.

¹ 2018 is the first year when gas supply needs for electric utilities and ENSTAR Natural Gas Company (ENSTAR) are not secured by gas purchase contracts in their entirety; whereas, utilities have historically held much longer-term gas supply contracts (10 to 20 years)

A stable and reliable supply of utility-grade, lean natural gas is needed to meet the current and future demand of 500 MMSCFD as follows:

- 200 MMSCFD – Cook Inlet area current demand
- 50 MMSCFD – Cook Inlet area future demand (2030)
- 60 MMSCFD – Fairbanks area future demand (2030)
- 190 MMSCFD – Future commercial and industrial use (AGDC, 2014b)

The public benefit of the ASAP Project is the potential for delivery of a long-term, reasonably priced supply of natural gas to Southcentral, Fairbanks, and other Alaskan communities for:

- Heating homes, public safety facilities, military bases, and businesses
- Generating electrical energy
- Continuing economic stability and growth by supporting industrial users
- Accommodating future population growth and increased commercial usage served by the existing ENSTAR's Beluga local distribution system, and for the Fairbanks–North Pole area and other Railbelt communities
- Improving air quality in the Fairbanks area, which is currently classified as an air quality non-attainment area by ADEC and USEPA (see the ADEC Division of Air Quality website: http://dec.alaska.gov/air/PM2-5_AK.htm).
- Promoting Compressed Natural Gas (CNG) as a substitute for gasoline and diesel fuel used by cars and trucks in Fairbanks; for use by communities along the Parks Highway, including tour buses in Denali National Park and Preserve (DNP&P); and for use by Anchorage and communities on the Kenai Peninsula
- Providing CNG for distribution to rural Alaska communities via the Yukon and Tanana Rivers and marine barges from Cook Inlet
- Facilitating the development of infrastructure to allow more economic development of mining and oil and gas projects

The majority of Alaska has no long-term source of fuel other than heating oil. Alaska's North Slope has over 30 trillion cubic feet of conventional natural gas reserves. A pipeline is the safest and most efficient way to transfer this energy source and develop it for the maximum benefit of Alaskans. Failed proposals to commercialize Alaska's natural gas reserves have frustrated Alaskans for decades. The economic and commercial conditions have simply never materialized to allow those proposals to and studied advance beyond the feasibility stage. AGDC's Proposed Action meets the goal of providing a stable, long-term supply of clean, affordable energy to developed and developing markets within Alaska, including Southcentral, Fairbanks, and the Railbelt.

Community, commercial, and industrial development in interior Alaska could all be facilitated with a reliable supply of natural gas. ASAP is expected to provide jobs, new business opportunities, and tax revenues for Alaska. Through the ASAP Project, new jobs will become available during both the construction and operational phases. The ASAP pipeline will also provide a clean and afforda-

ble energy source that is accessible to residents, businesses, government entities, and natural resource development projects throughout Alaska. The ASAP Project, moreover, continues to refine alignment information so as to minimize and avoid environmental impacts where practicable.

1.3 SUPPORTING PROJECT DOCUMENTS

ASAP Project documents containing historical and revised engineering design information, routing information, and other details are provided on the project website (<http://www.asapeis.com/docs.html>) and the AGDC website (<http://asapgas.agdc.us>). Documents specifically pertinent to this EED include:

1. Alaska Gasline Development Corporation (AGDC). 2014a. *Alaska Stand Alone Gas Pipeline/ASAP – Joint Application for Permit*. Revised July 2014. <http://asapeis.com/docs/Joint%20Application%20for%20Permit.pdf>. Accessed October 9, 2014.
2. Alaska Gasline Development Corporation (AGDC). 2014b. *Alaska Stand Alone Gas Pipeline/ASAP – Plan of Development*. Revision 3. June. http://asapgas.agdc.us/pdfs/documents/pod2014/POD%20Rev%203_Final_07-22-2014_COMBINED.pdf. Accessed October 9, 2014.
3. U.S. Army Corps of Engineers (USACE). 2012b. *Final Environmental Impact Statement. Alaska Stand Alone Pipeline*. October. <http://asapgas.agdc.us/documents.html>. Accessed October 9, 2014.
4. U.S. Environmental Protection Agency (USEPA). August 18, 2008. Notice of Intent to designate a portion of the Fairbanks North Star Borough as nonattainment. ([ADEC website http://dec.alaska.gov/air/PM2-5_AK.htm](http://dec.alaska.gov/air/PM2-5_AK.htm)).

Attachments to this EED include:

- Attachment 1.** Revised Alaska Stand Alone Pipeline Map Book
- Attachment 2.** State of Alaska Right-of-Way Lease for the Alaska Stand Alone Pipeline
- Attachment 3.** West Dock Dredge and Disposal Plan
- Attachment 4.** Letter from Alaska Gasline Development Corporation President to Fairbanks Northstar Borough Mayor
- Attachment 5.** Essential Fish Habitat Assessment, Revision 2
- Attachment 6.** Biological Assessment, Revision 2
- Attachment 7.** Gas Conditioning Facility Regulatory Review and Best Available Control Technology Analysis
- Attachment 8.** 2014 Alaska Stand Alone Pipeline Field Reports
 - Attachment 8a.** Wetlands and Waters of the United States Delineation Report for Revision 6
 - 8a-A.* Appendix A: 2014 Wetland Delineation Data Forms
 - 8a-B.* Appendix B: 2014 Functional Assessment Data Sheets
 - 8a-C.* Appendix C: Wetlands Mapping
 - Attachment 8b.** 2014 Waterways Field Study: New V6 Crossings Report
 - Attachment 8c.** Hydraulic and Bank Migration of Minor Detailed and Detailed Crossings Report

Attachment 8d. Preliminary 2014 Stream Survey Report (Streams and Fish)

Attachment 8e. 2014 Cultural Resources Field Survey Summary

8e-A. Appendix A: Map Book of 2014 Survey Areas and Survey Conducted Previously for the Alaska Stand Alone Pipeline Project

1.4 AVOIDANCE AND MINIMIZATION OF IMPACTS

Since the development and publication of the FEIS, continuing refinements have been made to the ASAP pipeline alignment and configuration of off-Right-of-Way facilities. The June 29, 2011 State of Alaska Right-of-Way Lease for the Alaska Stand Alone Gas Pipeline/ASAP (Attachment 2) includes a comprehensive list of stipulations (Attachment 2, Exhibit A: Stipulations) that require additional plans, procedures, and best management practices to avoid and minimize environmental impacts. The avoidance and minimization of impacts have been key considerations, particularly for wetlands, streams, fish, terrestrial and marine wildlife, threatened and endangered species, subsistence resources, cultural resources, reliability and safety and cumulative effects. The current design configuration reflects many of these important considerations. The AGDC will continue to refine the Project design as more detailed engineering information becomes available to further avoid and minimize impacts.

1.5 REFERENCES

Alaska Department of Administration, Alaska Oil and Gas Conservation Commission. 2014. Monthly Production Reports.

Alaska Gasline Development Corporation (AGDC). 2014a. *Alaska Stand Alone Gas Pipeline/ASAP – Joint Application for Permit*. Revised July 2014. <http://asapeis.com/docs/Joint%20Application%20for%20Permit.pdf>. Accessed October 9, 2014.

Alaska Gasline Development Corporation (AGDC). 2014b. *Alaska Stand Alone Gas Pipeline/ASAP – Plan of Development*. Revision 3. June. http://asappgas.agdc.us/pdfs/documents/pod2014/POD%20Rev%203_Final_07-22-2014_COMBINED.pdf. Accessed October 9, 2014.

Northern Economics Inc. 2010. *In-state Gas Demand Study*. Vol. 1. Prepared for TransCanada Alaska Co. LLC. January.

U.S. Army Corps of Engineers (USACE). 2012a. Draft Environmental Impact Statement. Alaska Stand Alone Pipeline. January. <http://137.229.188.87/vufind/Record/1476291>. Accessed October 18, 2014.

U.S. Army Corps of Engineers (USACE). 2012b. *Final Environmental Impact Statement. Alaska Stand Alone Pipeline*. October. <http://asappgas.agdc.us/documents.html>. Accessed October 9, 2014.