Agency Briefing to the ANGDA Board of Directors
B2F Pipeline Project

ANGDA's Project Purpose: "The B2F pipeline will deliver Cook Inlet natural gas to the Copper Valley, Delta Junction and Fairbanks, and will provide gas storage for Southcentral use."

- Current Project Description Document

Overview

- Federal Authorizations
- NEPA
- BLM Right-of-Way Grant and Process
- USACE Section 404 and 10 Permits and Process
- Key Elements of an EIS
- B2F EIS Current Status
- Initial and Current Project Purpose
- Moving Forward

Federal Authorizations

- B2F project requires federal authorizations:
  - Right-of-Way granted by BLM (Mineral Leasing Act Section 28)

  - Section 404 and Section 10 Permits issued by USACE (Clean Water Act and Rivers and Harbors Act)

  - Other federal permits as required

NEPA

- Federal authorizations require compliance with the National Environmental Policy Act (NEPA)
- Authorizations must be based on a legally defensible NEPA document
- For the proposed B2F project, the NEPA document required is an Environmental Impact Statement (EIS)
  - An EIS is a disclosure document that informs the public and federal decision makers
  - EIS assists in making permitting decisions

BLM Right-of-Way Grant

"You must have a BLM grant under 30 U.S.C. 185 for an oil or gas pipeline or related facility to cross Federal Lands under:

 a) BLM's jurisdiction; or

 b) the jurisdiction of two or more Federal agencies."

- 43 CFR 2881.11

BLM Right-of-Way Process

- In processing an application the BLM:
  - Verifies applicant is qualified to hold ROW grant
  - Ensures project is in the public interest
  - Concludes project is not inconsistent with other laws and regulations
  - Determines project is consistent with existing land use plans
  - Confirms applicant has technical and financial capability
  - Complies with NEPA

USACE Section 404 & 10 Permits

Section 404 of the Clean Water Act requires approval prior to discharging dredged or fill material into the waters of the United States.

-33 CFR 323

Section 10 of the Rivers and Harbors Act of 1899 requires approval prior to the accomplishment of any work in, over, or under navigable waters of the United States, or which affects the course, location, condition or capacity of such waters.

- 33 CFR 322

USACE Section 404 & 10 Process

- In processing an application the USACE:
  - Determines compliance with the 404(b)(1) guidelines
  - Ensures project is in the public interest
  - Considers mitigation including avoiding, minimizing or compensating for resource losses
  - Complies with NEPA

Key Elements of an EIS

- Purpose and need statement:
  - Defines the proposed project
  - Basis for developing alternatives

- Alternatives:
  - Must include a reasonable range of alternatives (i.e. those that are feasible)
  - Feasibility of alternatives focuses on the accomplishment of the underlying purpose and need

B2F EIS Current Status

- DEIS development is currently 13 weeks behind schedule and continues to slip

- The schedule is delayed because an adequate project description has not been submitted
  - Among other issues the project purpose has been revised multiple times
  - First set of detailed maps were provided to BLM on November 16th

Initial Project Purpose

December 2008:

- Deliver natural gas from Cook Inlet Basin to GVEA in the Fairbanks-North Pole power plant to serve the Interior in the near term,

- Provide gas storage for peak demand extreme cold weather in South Central Alaska, and

- Transport North Slope gas to Cook Inlet area via a planned large-diameter gas pipeline off-take point at Delta Junction.

Current Project Purpose

Beginning in September 2009:

The B2F pipeline will deliver Cook Inlet natural gas to the Copper Valley, Delta Junction and Fairbanks, and will provide gas storage for Southcentral use.

Moving Forward

These critical issues must be resolved:

- ANGDA's statutory authority
  - Does the purpose of B2F fall within the scope of ANGDA's statutory authority?

- Public information vs. Project description
  - Is the project purpose consistent with what ANGDA is presenting to the public?