

Federal Energy Regulatory Commission



The Siting and Review Process for Onshore and Near Shore LNG Facilities

DOE LNG Forum
Houston, TX
November 29, 2006

Overview of the Siting and Review Process



- FERC's jurisdiction over LNG projects
- Coordination with U.S. Coast Guard and U.S. Department of Transportation
- Review process
- Coordination with the States

FERC's Siting Authority Under the Natural Gas Act

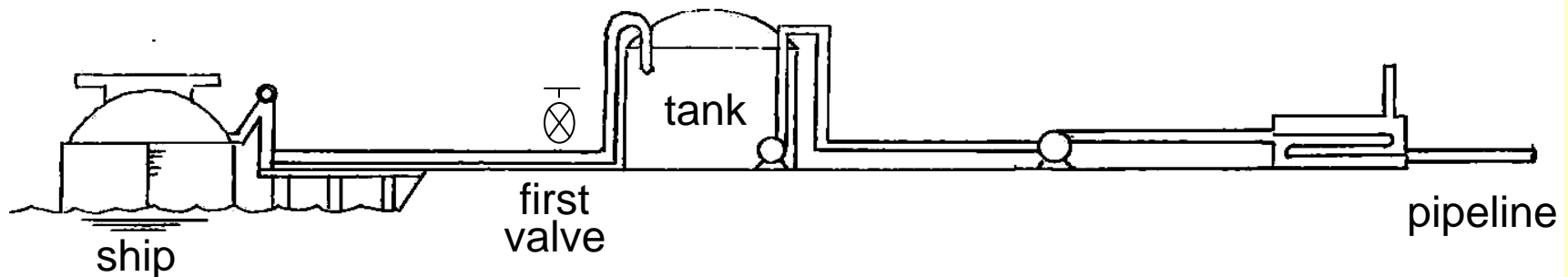


- Section 3 of the NGA
 - Determination of consistency with the public interest
- Amended by the Energy Policy Act of 2005
 - FERC has exclusive siting authority—does not preempt other required federal authorizations
 - Use of Pre-Filing Process mandatory for LNG terminals
 - FERC is lead agency for NEPA review, coordinates and sets schedule for all federal authorizations

Multi-Agency Jurisdiction



Interagency Agreement of February 2004 ensures integrated and concurrent review



FERC – Section 3 of the Natural Gas Act

FERC – Lead Agency for Environmental Impact Statement

USCG – 33 CFR Part 127

DOT – 49 CFR Part 193 Safety Standards

USCG – 33 CFR Part 105 Facility Security

Key Components of Site-Specific Project Review



- Safety & Environmental Review
- Public Involvement
- Technical Analysis
- Public Interest Determination

Phases of Project Review

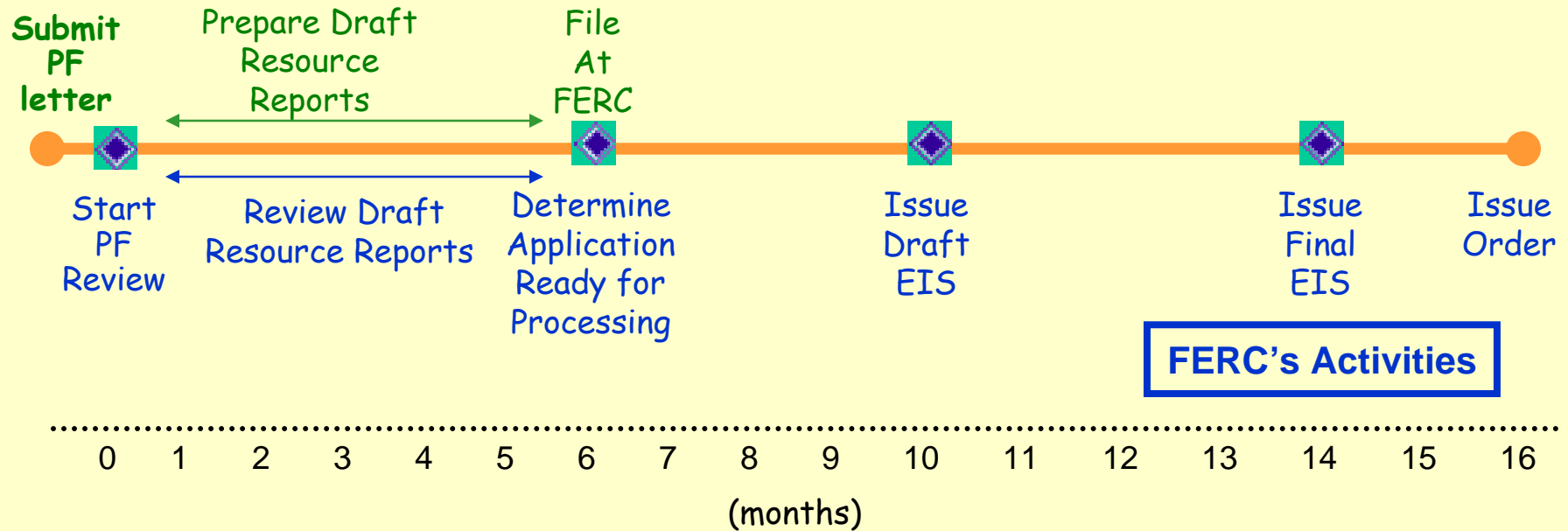


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- Project Preparation
 - The applicant working on its own
 - Pre-Filing
 - FERC staff working with the applicant and stakeholders before the filing of an application
 - Application Review
 - FERC staff working with the applicant and stakeholders after the filing of an application
 - Post-Authorization
 - FERC staff working with the applicant and stakeholders to ensure compliance with conditions to the FERC approval

Timeline for LNG Project Review Process



Applicant's Activities



Pre-Filing Requirements for LNG Projects



- Project sponsor selects site, pipeline routes and begins surveys and studies
- Meet with staff regarding proposed project
- Submit draft RFP for 3rd-party contract and draft PF request for staff review
- File PF request
- Complete at least 6 months of PF review

FERC Staff Pre-Filing Activities



- Identify affected parties:
 - landowners
 - agencies
 - other stakeholders
- Facilitate identification of issues
- Identify study needs
- Facilitate resolution of issues
- Issue scoping notice
- Examine alternatives
- Arrange and attend site visits and meetings
- Initiate preparation of preliminary NEPA document
- Review draft resource reports

Public Involvement During Pre-Filing Review



The FERC Process

- Project Sponsor Sends Landowner Notification Package
- Issue Notice of Intent to Prepare the NEPA Document (i.e., scoping)
- Hold Scoping Meetings

Public Input

- Contact the project sponsor w/questions, concerns; contact FERC
- Send letters expressing concerns about environmental impact
- Attend scoping meetings

The Environmental Report

(13 Resource Reports)



1. General Project Description
2. Water Use & Quality
3. Fish, Wildlife & Vegetation
4. Cultural Resources
5. Socioeconomics
6. Geological Resources
7. Soils
8. Land Use, Recreation, & Aesthetics
9. Air & Noise Quality
10. Alternatives
11. Reliability & Safety
12. PCB Contamination (for pipelines only)
13. LNG Engineering & Design Details (CEII)

Benefits of the Pre-Filing Process



- More interactive NEPA/permitting process, no shortcuts
- Earlier, more direct interaction between FERC, other agencies, landowners
- Transparency in the Pre-Filing Review Process
- Goal of "no surprises"

*FERC staff will be an advocate
for the process, not the project*

Public Involvement During Application Review



The FERC Process

- Issue Notice of the Application
- Issue Notice of Availability of the DEIS
- Hold Public Meetings on DEIS
- Issue a Commission Order

Public Input

- File an Intervention
- Register for e-subscription
- File comments on the adequacy of DEIS
- Attend public meetings to give comments on DEIS
- Interveners can file a request for rehearing of the Commission Order

Engineering Review



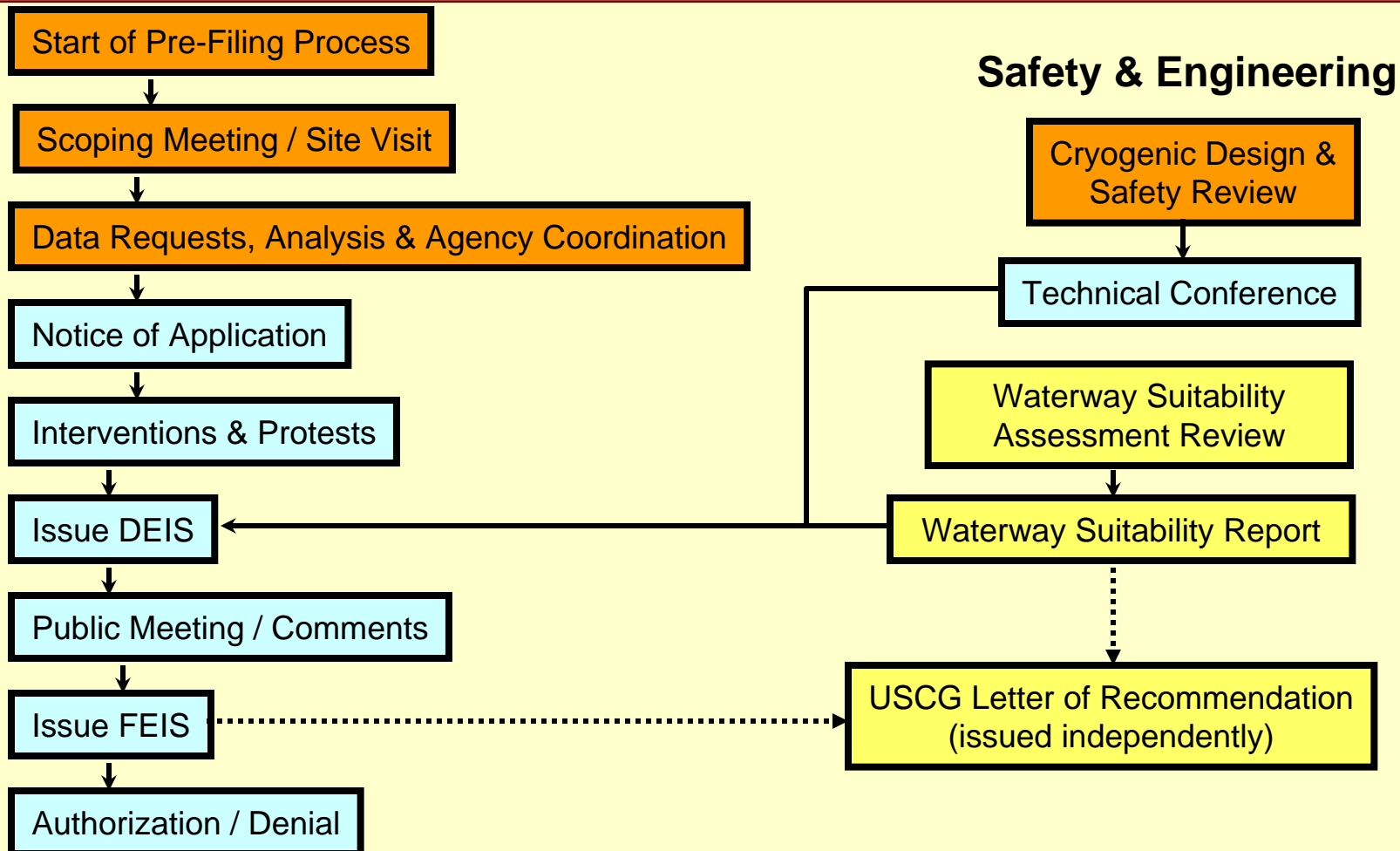
➤ Onshore Facility Review

- Cryogenic design and technical review
- Safety systems – detection and control
- Exclusion zone calculations
- Security and emergency plans

➤ Marine Safety Review

- Coordination w/ Coast Guard
- LNG vessel operations and controls
- Cargo spill hazard analysis

Coordination of FERC & Coast Guard Review Processes



Safety & Security Coordination with States



- Governor designates an agency to consult with FERC about state and local safety considerations
- The designated agency may file an advisory report within 30 days of filing of application
- Project Sponsor's Emergency Response Plan must involve state and local agencies

Summary - FERC Focus



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- **Safety** Is The Highest Priority
 - Involvement Of All Stakeholders
 - Continued Oversight