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FERC Approves Broadwater LNG Project Subject to Safety, Environmental Measures

The Federal Energy Regulatory Commission (FERC) today approved a proposal by Broadwater Energy LLC to construct and operate the first floating terminal for the storage and delivery of liquefied natural gas (LNG) in the United States. The project would meet increasing energy demand in New York and Connecticut.

The Commission's approval of the project is subject to the operator adopting more than 80 mitigation measures to enhance safety and security and to ensure it has limited environmental impacts.

"We have reviewed the record in the Broadwater LNG proceeding and have considered carefully the concerns of the many citizens who have commented on the project," FERC Chairman Joseph T. Kelliher said. "Based on all available scientific facts, we approve the Broadwater project today, subject to rigorous conditions, because it can meet the projected energy needs for New York City, Long Island and Connecticut, and can provide the service safely, securely and with limited adverse impact on the environment."

The Broadwater project would deliver up to 1.25 billion cubic feet (Bcf) of natural gas per day to fuel electric generating plants and heat homes. It would consist of a floating storage and regasification unit (FSRU) that would measure about 1,215 feet long and 200 feet wide, rising approximately 80 feet above the water line of Long Island Sound in New York State Waters. The project would be located nine miles off the coast of Riverhead, in Suffolk County, New York and 10.2 miles from the nearest onshore point in Connecticut. The U.S. Coast Guard has indicated that a safety and security zone of 1,210 yards (seven-tenths of a mile) would be placed around the FSRU to address security issues and public safety concerns.

A yoke mooring system, which will be incorporated in the bow section of Broadwater's FSRU, will moor the FSRU to a fixed tower and allow the FSRU to pivot, or "weathervane," around the tower and to withstand events exceeding 100-year storm conditions.

The project would include eight LNG storage tanks capable of storing the equivalent of 8 Bcf of regasified LNG, a regasification plant and a 21.7 mile long pipeline extending from the LNG terminal to a subsea interconnection with the Iroquois Gas Transmission System which will bring the gas onshore.

FERC approved the project after a thorough environmental, safety and security review and after considering both project and facility alternatives including alternative energy sources, six existing and seven new or proposed pipelines that now serve or could be expanded to serve the target market. Twenty other LNG terminals also were considered.

The Commission noted the issues raised by hundreds of public comments submitted in response to FERC Staff's environmental impact statements (EIS) expressing concerns about public safety and security, impacts on Long Island Sound and the need for the project. The draft EIS was 825 pages and the final EIS exceeded 2,200 pages. The total record in the proceeding contains approximately 7,100 documents and exhibits.





FERC's review of the project took 38 months and 25,000 staff hours.

In response to numerous comments concerning the "industrialization" of Long Island Sound, FERC looked at whether Broadwater would establish a new industrial precedent and stimulate new industrial development in Long Island Sound. The Commission found that Long Island Sound always has been a multi-use waterway with development including many industrial and commercial areas, some of which have been operating for decades. As many as 2,000 vessels per year pass through the Sound transporting oil and petroleum products, while 4,000 to 7,000 commercial vessels transit the Sound annually. Further, FERC found no reason to conclude that approval of Broadwater would stimulate new offshore industrial development.

The public's concerns were addressed at length in the Jan. 11, 2008, final EIS, FERC said. "We have carefully reviewed the information and analysis contained in the final EIS and we agree with the conclusions presented in the final EIS that construction and operation of the Broadwater Project, with the adoption of the proposed mitigation measures, would result in only limited adverse environmental impacts."

Among the more than 80 mitigation measures that were part of the final EIS include requirements that Broadwater submit, at least 60 days before construction, plans detailing how the FERC order will be implemented. The implementation plans will be reviewed by the Director of FERC's Office of Energy Projects before construction can commence.

Another mitigation condition requires that Broadwater develop an Emergency Response Plan and coordinate procedures with the Coast Guard; state, county, and local emergency planning groups; fire departments; state and local law enforcement; and appropriate federal agencies.

Prior to installation activities in Long Island Sound, FERC also will require Broadwater to file the New York State Department of State determination of the project's consistency with the New York Coastal Management Plan, under the applicable provisions of the Coastal Zone Management Act.

Intervenors have 30 days to submit petitions for rehearing.

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