



April 8, 2011

Judith A. Enck  
Administrator for EPA's Region 2 Office  
290 Broadway  
New York, New York 10007-1866

Dear Administrator:

We represent Casa Pueblo, a community-based organization with over 30 years of service contributing towards sustainable development in Puerto Rico in the areas of economic development, environmental protection, educational programs, and agriculture. Casa Pueblo has been nationally and internationally recognized, including through the award of a 2002 Goldman Prize, equivalent to an Environmental Nobel Prize, to its Director Dr. Alexis Massol-González. Our concern regarding the potential impact of a major natural gas pipeline proposal led us to assemble a Scientific and Technical Commission to study the potential environmental, social and economical impacts of the project. This Commission has now been studying this project for more than nine months.

In a recent letter signed by Carl Soderberg (Director of the EPA in Puerto Rico, April 1, 2011) directed to the US Army Corps of Engineers addressing the Vía Verde gas pipeline project; SAJ-2010-02881 (IP-EWG), the EPA endorses the project conditionally pending the supply of additional information.

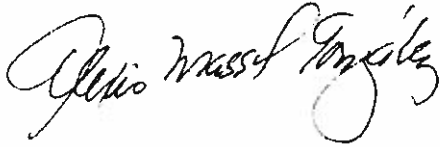
The EPA analysis that endorses the Vía Verde project is supported by a number of arguments that contain errors, omissions, and a misguided investigation (refer to the last paragraph in page 1 and the first in page 2 of Soderberg's letter to USCOE).

1. It is completely wrong to say that the capacity of the Via Verde is 1,519 MW while the Aguirre Plant capacity is only 592 MW.
  - a. Whether omitted deliberately or by accident, the Aguirre plant has units 1 and 2 with a total capacity of 900 MW, in addition to two combined cycle units with a total capacity of 592 MW.

- b. These four units of the Aguirre plant are programmed by the PREPA to operate on natural gas with a capacity of 1,492 MW for 2014. For that reason, in terms of capacity the Aguirre plant can produce as much energy as the 3 northern plants combined and therefore, the construction of a 92-mile long gas pipeline is unnecessary.
2. The EPA is wrong in neglecting the fact that the PREPA is completing the final tests to operate units 5 and 6 of the Costa Sur plant with natural gas, representing a capacity of 820 MW. The EPA has failed to recognize that the other four units (1-4) of Costa Sur have an additional capacity of 270 MW and are scheduled to operate on natural gas in 2014.
3. The EPA is in its endorsement because in 2009 the 3 northern plants generated around 22% of Puerto Rico's energy while the Costa Sur power plant generated 24%. This implies that the Vía Verde project is of limited utility with monumentally destructive impacts to the water resources, wetlands, forests, and endangered species.
4. The EPA is entirely wrong endorsing the Via Verde project because the natural gas supplier, EcoElectrica, has already admitted to the FWS that they do not have the required natural gas send-out capacity, infrastructure, neither permits from FERC to supply gas to the three northern plants with a capacity of 1,519 MW. Giving an endorsement to the Vía Verde project without gas for the operation is absurd, negligent, and is suspicious.
5. The EPA is erroneous when citing information supplied by PREPA indicating that the northern power plants are more efficient. According to a 2009 report from PREPA, the Costa Sur and Aguirre plants have in average greater efficiency than the northern plants. In fact, Cambalache is the least efficient plant and is located in the north.
6. The EPA is inaccurate using the information supplied from PREPA to state that generating more energy in the south can destabilize the system causing frequent collapses of the Puerto Rican power-grid. This is absurd and false. Historically the south has generated from 75% to 80% of the total energy for the island and has done so with no major difficulties.
7. The EPA has failed to acknowledge that a number of prestigious engineers from the Department of Electrical Engineering at the University of Puerto Rico have determined that the savings expected from the Vía Verde project are about 1.2 cents per kWh which drastically contradicts the PREPA claims of savings of 12 to 22 cents per kWh.

Based on the information provided, we request an investigation into this endorsement and strongly request EPA to remove its conditional endorsement for the Via Verde project immediately.

Sincerely yours,



Dr. Alexis Massol-González, Director



Dr. Arturo Massol-Deyá, Biologist



Dr. Gerson Beauchamp, Electrical Engineer

cc: Congressman Luis Gutierrez (Enrique.Fernandez@mail.house.gov)  
Sindulfo Castillo (Sindulfo.Castillo@usace.army.mil)



**Fw: [POSSIBLE SPAM] Casa Pueblo to EPA - 'Via Verde'**  
Teresita Rodriguez to: Jose Soto

04/11/2011 10:10 AM

José,

See email below. Please, draft a response.

Thanks.

----- Forwarded by Teresita Rodriguez/R2/USEPA/US on 04/11/2011 10:07 AM -----

**From:** Carl Soderberg/R2/USEPA/US  
**To:** Teresita Rodriguez/R2/USEPA/US@EPA  
**Cc:** Jose Font/R2/USEPA/US@EPA  
**Date:** 04/11/2011 08:47 AM  
**Subject:** Fw: [POSSIBLE SPAM] Casa Pueblo to EPA - 'Via Verde'

preparar contestacion

----- Forwarded by Carl Soderberg/R2/USEPA/US on 04/11/2011 08:46 AM -----

**From:** Judith Enck/R2/USEPA/US  
**To:** Carl Soderberg/R2/USEPA/US  
**Date:** 04/10/2011 10:43 AM  
**Subject:** Fw: [POSSIBLE SPAM] Casa Pueblo to EPA - 'Via Verde'

Sent by EPA Wireless E-Mail Services

**From:** Arturo Massol [amassol@gmail.com]  
**Sent:** 04/10/2011 09:39 AM AST  
**To:** Judith Enck  
**Cc:** <Enrique.Fernandez@mail.house.gov>; <Sindulfo.Castillo@usace.army.mil>; Gerson Beauchamp <gerson@ece.uprm.edu>; CASA PUEBLO <casapueb@coqui.net>  
**Subject:** [POSSIBLE SPAM] Casa Pueblo to EPA - 'Via Verde'

Dear Judith Enck:

The EPA analysis that endorses the 'Via Verde' project is supported by a number of arguments that contain errors, omissions, and a misguided investigation. Either by accident or alternative motivations, EPA has failed with its responsibility by endorsing a clearly corrupted proposal (just check the local headlines of the past week while additional issues are still to come).

We are requesting an investigation including the direct role of Carl Soderberg and strongly request EPA to remove its conditional endorsement for the Via Verde project immediately. Neither EPA or the USCOE has the necessary information to reach any kind of endorsement for this proposal, on the contrary, the denial of the Joint Permit seems to be the only path.

Your ambiguous position is currently use by the local government to justify an expedite process of contracting without the necessary permits. Please see enclosed letter.

Do not hesitate to contact us for further information.

Arturo Massol-Deyá, Ph.D.  
Gerson Beauchamp, Ph.D. Electrical Engineer



Alexis Massol-González, Goldman Prize Winner 2002 [letterEPA\\_April\\_08.pdf](#)



April 8, 2011

Judith A. Enck  
Administrator for EPA's Region 2 Office  
290 Broadway  
New York, New York 10007-1866

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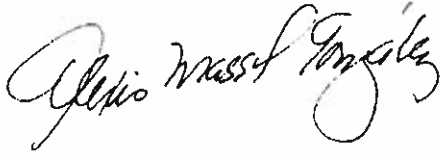
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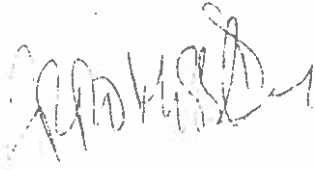


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Dr. Arturo Massol-Deyá, Biologist



Dr. Gerson Beauchamp, Electrical Engineer

cc: Congressman Luis Gutierrez (Enrique.Fernandez@mail.house.gov)  
Sindulfo Castillo (Sindulfo.Castillo@usace.army.mil)

**Re: Via Verde letter**   
Teresita Rodriguez to: Elias Rodriguez

04/05/2011 10:08 AM

Hi Elias,

Attached you'll find the letter. Feel free to contact me if you have any questions.



VIA VERDE.pdf

Elias Rodriguez      Hi - Can you email me the final version of the Via Verde letter sent out last wee...

04/04/2011 03:21:32 PM

**From:** Elias Rodriguez/R2/USEPA/US  
**To:** Teresita Rodriguez/R2/USEPA/US@EPA  
**Cc:** Jose Font/R2/USEPA/US@EPA  
**Date:** 04/04/2011 03:21 PM  
**Subject:** Via Verde letter

Hi - Can you email me the final version of the Via Verde letter sent out last week?

Thank you,

Elias Rodriguez, M.P.A.  
Press Officer  
U.S. Environmental Protection Agency  
290 Broadway, New York, NY 10007  
rodriguez.elias@epa.gov  
212-637-3664

EPA's Region 2 Covers N.J., N.Y., P. R. and the U.S. V.I.  
Visit us at [www.epa.gov/region2](http://www.epa.gov/region2)



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**  
CARIBBEAN ENVIRONMENTAL PROTECTION DIVISION  
CENTRO EUROPA BUILDING, SUITE 417  
1492 PONCE DE LEON AVENUE, STOP 22  
SAN JUAN, PR 00907-4127

APR 01 2011

Sindulfo Castillo  
Chief, Antilles Regulatory Section  
Jacksonville District Corps of Engineers  
400 Fernández Juncos Avenue  
San Juan, Puerto Rico 00901-3299

Re: Vía Verde Natural Gas Pipeline; SAJ-2010-02881 (IP-EWG)

Dear Mr. Castillo:

This is in further reference to the Vía Verde Natural Gas Pipeline project proposed by the Puerto Rico Electric Power Authority (PREPA). Since our December 23, 2010 letter, additional information has been provided by PREPA and its consultants to address the U.S. Environmental Protection Agency's (EPA's) concerns. In addition, the applicant met with EPA representatives on several occasions to present and/or discuss such additional information, including chapters four and six of the local Environmental Impact Statement (EIS) for the project, plus several summary sections.

In our previous letter, EPA objected to the issuance of a Department of the Army permit for the project based on the lack of a detailed alternatives analysis, concerns regarding the use of directional drilling, the lack of suitable compensatory mitigation to address wetlands impacts, and the need to complete a federal Environmental Impact Statement (EIS) for the project. The comments provided herein are based on a thorough review of the additional information furnished by the applicant and its consultants.

To address the alternatives analysis issue, PREPA provided information on the alternatives contained in the local EIS prepared for the project. These included a no action alternative, the construction of a natural gas import terminal on the north coast of the island, tanker and buoy systems and/or transfer platforms for receipt of natural gas at PREPA's Palo Seco, San Juan and Cambalache plants, gravity based systems, floating storage and re-gasification units, and several terrestrial alignments for a natural gas pipeline system. While this represents a significant milestone in the review of alternatives for the project, the documents provided included an additional option: the use of natural gas at PREPA's existing Costa Sur and Aguirre power generating facilities on the south coast of Puerto Rico, combined with the conversion of the nearby Las Mareas Port facility to receive liquefied natural gas (LNG) as means to achieve significant energy production using an alternative fuel. This project, formerly known as the "Gasoducto del Sur", was previously considered by PREPA as means to address the diversification of the electric power supply methods in Puerto Rico. The project was briefly

mentioned in response to comments from the U.S. Army Corps of Engineers and the Puerto Rico Engineers and Surveyors Association. EPA believed that PREPA's dismissal of this alternative was inconsistent with the current project's overall project purpose, since it would provide PREPA with an alternative fuel option for two major generating facilities with lesser environmental impacts. However, after evaluating additional information furnished by the applicant's environmental consultant, it appears that *Gasoducto del Sur* was geared to provide natural gas to the combined cycle units located at the Aguirre Power Plant with a 592 MW operational capacity. On the other hand, Via Verde would provide natural gas and an increase in PREPA's operational capabilities to a total of 1,519 MW. Moreover, the Via Verde Project would provide PREPA with the flexibility to operate the most efficient power generating units on the island, which are located on the north coast, through the monitoring of each unit's rated capacity, individual fuel consumption and the type of fuel that fosters the lowest power generating costs. The Via Verde project would thus allow a more efficient use of such power generating units, allowing reductions in the transmission losses, as observed in other PREPA electric power transfer systems. EPA also defers to PREPA's expertise on the fact that "*Gasoducto del Sur*" may destabilize the island's electrical system, resulting in frequent collapses of the electric network of Puerto Rico. Upon further consideration of the supplied information, EPA believes that the alternatives analysis issues have been addressed by the applicant.

In regards to EPA's concerns about the use of directional drilling in wetlands and karst terrain, PREPA provided additional information regarding best management practices, the monitoring to be performed and the presence of specialized personnel during drilling operations to monitor the process and stop work immediately if any escape of bentonite mud into karst formations and/or waters of the United States is suspected. In addition, during a March 2, 2011 meeting at the Corps of Engineers, PREPA's consultants announced that directional drilling operations in karst terrain would be greatly reduced, since the pipeline route would be altered to circumvent haystack hills ("*mogotes*"), light equipment would be used, and a pipeline pull method would be required to further reduce impacts. We commend PREPA on these impact reduction measures, and now believe that best management practices, combined with adequate monitoring by qualified personnel should minimize any undesirable impacts from directional drilling. EPA recommends that that a special condition to the Corps of Engineers permit, requiring the presence of a trained independent geologist/engineer with expertise on karst terrain in the field at all times during drilling operations to closely monitor the process and stop work if any issues or abnormalities are detected be included. We also urge the Corps to consider additional special conditions requiring the avoidance of major karst formations during pipeline construction.

In our previous letter, we commented on the unsuitability of the initially proposed compensation for unavoidable impacts to aquatic resources. Additional information supplied by PREPA to address this issue includes, among others, a commitment to coordinate with the Department of Natural and Environmental Resources (DNER) to develop suitable on-site mitigation in a 3:1 ratio for any unavoidable impacts to aquatic resources. While PREPA has repeatedly stated that a suitable mitigation plan would be developed in a timely manner, EPA believes that such plan must be reviewed and accepted by the Corps of Engineers, EPA and all

natural resource agencies before construction of the project begins. In addition, questions remain regarding the concept of "temporary impacts". PREPA expresses that after placing the pipeline, areas would be immediately brought back to initial conditions so that natural re-colonization by prevailing vegetation begins. However, sections of the local Environmental Impact Statement (EIS) prepared for the project indicate a willingness to enhance areas by suppressing invasive and/or nuisance species at locations such as Caño Tiburones or other ecologically valuable areas. If PREPA plans to pursue such wetlands enhancement options, the areas need to be identified, quantified, and a specific plan to address local conditions must be developed. Additional details on the management/maintenance methods to be used need to be clarified. EPA believes that any mitigation and/or wetlands enhancement plans should include performance/success rates to evaluate their suitability and long term viability. Furthermore, please be advised that on January 14, 2011 the Council on Environmental Quality (CEQ) provided guidance for departments and agencies of the Federal government on mitigation and monitoring of activities. As highlighted in this guidance, "Mitigation measures included in the project design are integral components of the proposed action, are implemented with the proposed action, and therefore should be clearly described as part of the proposed action." Therefore, EPA believes that a more robust description of the mitigation and monitoring plans needs to be developed to ensure that this federal objective is fulfilled. The guidance further states that "Mitigation commitments needed to lower the level of impacts so that they are not significant should be clearly described in the mitigated FONSI [finding of no significant impact] document and in any other relevant decision documents related to the proposed action." Therefore, any Corps-issued Environmental Assessment coupled with a FONSI for this project should include that information. We look forward to receiving and reviewing the mitigation plan documents as they become available.

One additional remaining concern for EPA is the proposed project's right-of-way (ROW). At various times throughout the documents supplied by PREPA, the ROW is described as being 100, 150 or 50 feet wide. The applicant's consultant has provided a brief description of the ROW categories, but we would appreciate a written, detailed explanation of the concept and its implementation along the final pipeline route in order to include it in the project review file for future reference.

In summary, we believe PREPA has addressed most of our major concerns regarding the Via Verde Natural Gas Pipeline project. However, additional information is required to fully comply with the Clean Water Act, Section 404(b)(1) Guidelines requirements. We, therefore, condition our approval of the proposed project to receiving, for review and approval, a comprehensive mitigation plan which addresses compensation for both, temporary and permanent impacts to wetlands and a detailed explanation of the project's variable right-of-way before project construction activities begin. In addition, we request that the permit includes a special condition requiring the presence of independent qualified personnel during drilling operations to closely monitor the process and stop work if any issues or abnormalities are detected.

If you have any questions or require additional information on this matter, please contact Ms. Teresita Rodriguez, Chief of the Multimedia Permits and Compliance Branch (MPCB), at 787-977-5864 or Mr. José Soto, of the MPCB, at 787-977-5829.

Sincerely,

A handwritten signature in black ink, appearing to read 'Carl-Axel B. Soderberg', with a long horizontal flourish extending to the right.

Carl-Axel B. Soderberg  
Director

CC: USFWS-Cabo Rojo, PR  
DNER- San Juan, PR  
PRPB- San Juan, PR  
PREQB- San Juan, PR

**Via Verde Project - USEPA's Follow Up letter**  
**Teresita Rodriguez** to: pr00pierluisipedro

04/01/2011 06:05 PM

Honorable Pedro Pierluisi  
Resident Commissioner

On behalf of Ms. Judith Enck, EPA's Region 2 Administrator, I am hereby providing you with the letter sent to the US Army Corps of Engineers regarding our follow up comments on the Via Verde Project. Please, do not hesitate to contact Ms. Enck should you have any questions.



VIA VERDE.pdf

Tere Rodriguez  
Chief  
Multimedia Permits and Compliance Branch  
Caribbean Environmental Protection Division  
(787) 977-5864



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**  
CARIBBEAN ENVIRONMENTAL PROTECTION DIVISION  
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APR 01 2011

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Chief, Antilles Regulatory Section  
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Sincerely,

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Carl-Axel B. Soderberg  
Director

CC: USFWS-Cabo Rojo, PR  
DNER- San Juan, PR  
PRPB- San Juan, PR  
PREQB- San Juan, PR

**Carta Via Verde**  
Teresita Rodriguez to: Carl Soderberg  
Cc: Jose Font

04/01/2011 06:02 PM

Carl,

Le dejé la carta de Via Verde a Sandra sobre su escritorio. Sólo falta enviarla por correo a Sindulfo y los ccs. Ya la envíe por email a Sindulfo, D. Pagán, P. Nieves, P. Pierluisi y J. Valenzuela.

Via Verde Follow Up letter  
Teresita Rodriguez to: jvalenzuela

04/01/2011 05:49 PM

Mr. Valenzuela,

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Tere Rodriguez  
Chief  
Multimedia Permits and Compliance Branch  
(787) 977-5864

**Via Verde Follow Up letter**  
**Teresta Rodriguez to: pedronieyes**

04/01/2011 05:43 PM

Mr. Nieves,

Attached you'll find USEPA's follow up letter regarding the Via Verde Project. Please, do not hesitate to contact us if you have any questions.



VIA VERDE.pdf

Tere Rodriguez  
Chief  
Multimedia Permits and Compliance Branch  
(787) 977-5864

Via Verde Follow Up letter   
Teresita Rodriguez to: Daniel Pagan

04/01/2011 05:42 PM

Mr. Pagán,

Attached you'll find USEPA's follow up letter regarding the Via Verde Project. Please, do not hesitate to contact us if you have any questions.



VIA VERDE.pdf

Tere Rodriguez  
Chief  
Multimedia Permits and Compliance Branch  
(787) 977-5864

**Via Verde Follow Up Letter**  
**Terেসita Rodriguez** to: Sindulfo.Castillo  
Cc: Jose Soto, Carl Soderberg

04/01/2011 05:28 PM

Mr. Castillo,

Attached you will find USEPA's follow up letter concerning the Via Verde Natural Gas Pipeline Project. Please, do not hesitate to contact me or Jose Soto at (787) 977-5829 should you have any questions.

Tere Rodriguez  
Chief  
Multimedia Permits and Compliance Branch  
(787) 977-5864



VIA VERDE.pdf



**Via Verde Follow up Letter**  
Teresita Rodriguez to: Mario DeVicario, Daniel Montella

03/31/2011 02:43 PM

Hi Mario and Dan,

Attached you'll find the Via Verde follow up letter. Please, let me know if you have any comments and if I should send it for your concurrence. Carl sent it to Judith and she is OK with it. They would like to send the letter out by COB today so that the Governor will know about our position before he meets with Judith next Wednesday.

Thanks,

Tere



Via Verde Draft Follow Up letter - Final.docx

Sindulfo Castillo  
Chief, Antilles Regulatory Section  
Jacksonville District Corps of Engineers  
400 Fernández Juncos Avenue  
San Juan, Puerto Rico 00901-3299

Re: Vía Verde Natural Gas Pipeline; SAJ-2010-02881 (IP-EWG)

Dear Mr. Castillo:

This is in further reference to the Vía Verde natural gas pipeline project proposed by the Puerto Rico Electric Power Authority (PREPA). Since our December 23, 2010 letter, additional information has been provided by PREPA and its consultants to address the U.S. Environmental Protection Agency's (EPA's) concerns. In addition, the applicant met with EPA representatives on several occasions to present and/or discuss such additional information, including chapters four and six of the local Environmental Impact Statement (EIS) for the project, plus several summary sections.

In our previous letter, EPA objected to the issuance of a Department of the Army permit for the project based on the lack of a detailed alternatives analysis, concerns regarding the use of directional drilling, the lack of suitable compensatory mitigation to address wetlands impacts, and the need to complete a federal Environmental Impact Statement (EIS) for the project. The comments provided herein are based on a thorough review of the additional information furnished by the applicant and its consultants.

To address the alternatives analysis issue, PREPA provided information on the alternatives contained in the local EIS prepared for the project. These included a no action alternative, the construction of a natural gas import terminal on the north coast of the island, tanker and buoy systems and/or transfer platforms for receipt of natural gas at PREPA's Palo Seco, San Juan and Cambalache plants, gravity based systems, floating storage and re-gasification units, and several terrestrial alignments for a natural gas pipeline system. While this represents a significant milestone in the review of alternatives for the project, the documents provided included an additional option: The use of natural gas at PREPA's existing Costa Sur and Aguirre power generating facilities on the south coast of Puerto Rico, combined with the conversion of the nearby Las Mareas Port facility to receive liquefied natural gas (LNG) as means to achieve significant energy production using an alternative fuel. This project, formerly known as the "*Gasoducto del Sur*", was previously considered by PREPA as means to address the diversification of the electric power supply methods in Puerto Rico. The project was briefly

mentioned in response to comments from the U.S. Army Corps of Engineers and the Puerto Rico Engineers and Surveyors Association. EPA believed that PREPA's dismissal of this alternative was inconsistent with the current project's overall project purpose, since it would provide PREPA with an alternative fuel option for two major generating facilities with lesser environmental impacts. However, after evaluating additional information furnished by the applicant's environmental consultant, it appears that *Gasoducto del Sur* was geared to provide natural gas to the combined cycle units located at the Aguirre Power Plant with a 592 MW operational capacity. On the other hand, Via Verde would provide natural gas and an increase in PREPA's operational capabilities to a total of 1,519 MW. Moreover, the Via Verde Project would provide PREPA with the flexibility to operate the most efficient power generating units on the island, which are located on the north coast, through the monitoring of each unit's rated capacity, individual fuel consumption and the type of fuel that fosters the lowest power generating costs. The Via Verde project would thus allow a more efficient use of such power generating units, allowing reductions in the transmission losses, as observed in other PREPA electric power transfer systems. EPA also defers to PREPA's expertise on the fact that "*Gasoducto del Sur*" may destabilize the island's electrical system, resulting in frequent collapses of the electric network of Puerto Rico. Upon further consideration of the supplied information, EPA believes that the alternatives analysis issues have been addressed by the applicant.

In regards to EPA's concerns about the use of directional drilling in wetlands and karst terrain, PREPA provided additional information regarding best management practices, the monitoring to be performed and the presence of specialized personnel during drilling operations to monitor the process and stop work immediately if any escape of bentonite mud into karst formations and/or waters of the United States is suspected. In addition, during a March 2, 2011 meeting at the Corps of Engineers, PREPA's consultants announced that directional drilling operations in karst terrain would be greatly reduced, since the pipeline route would be altered to circumvent haystack hills ("*mogotes*"), light equipment would be used, and a pipeline pull method would be required to further reduce impacts. We commend PREPA on these impact reduction measures, and now believe that best management practices, combined with adequate monitoring by qualified personnel should minimize any undesirable impacts from directional drilling. EPA recommends that that a special condition to the Corps of Engineers permit, requiring the presence of a trained independent geologist/engineer with expertise on karst terrain in the field at all times during drilling operations to closely monitor the process and stop work if any issues or abnormalities are detected be included. We also urge the Corps to consider additional special conditions requiring the avoidance of major karst formations during pipeline construction.

In our previous letter, we commented on the unsuitability of the initially proposed compensation for unavoidable impacts to aquatic resources. Additional information supplied by PREPA to address this issue includes, among others, a commitment to coordinate with the Department of Natural and Environmental Resources (DNER) to develop suitable on-site mitigation in a 3:1 ratio for any unavoidable impacts to aquatic resources. While PREPA has repeatedly stated that a suitable mitigation plan would be developed in a timely manner, EPA believes that such plan must be reviewed and accepted by the Corps of Engineers, EPA and all

natural resource agencies before construction of the project begins. In addition, questions remain regarding the concept of "temporary impacts". PREPA expresses that after placing the pipeline, areas would be immediately brought back to initial conditions so that natural re-colonization by prevailing vegetation begins. However, sections of the local Environmental Impact Statement (EIS) prepared for the project indicate a willingness to enhance areas by suppressing invasive and/or nuisance species at locations such as Caño Tiburones or other ecologically valuable areas. If PREPA plans to pursue such wetlands enhancement options, the areas need to be identified, quantified, and a specific plan to address local conditions must be developed. Additional details on the management/maintenance methods to be used need to be clarified. EPA believes that any mitigation and/or wetlands enhancement plans should include performance/success rates to evaluate their suitability and long term viability. Furthermore, please be advised that on January 14, 2011 the Council on Environmental Quality (CEQ) provided guidance for departments and agencies of the Federal government on mitigation and monitoring of activities. As highlighted in this guidance, "Mitigation measures included in the project design are integral components of the proposed action, are implemented with the proposed action, and therefore should be clearly described as part of the proposed action." Therefore, EPA believes that a more robust description of the mitigation and monitoring plans needs to be developed to ensure that this federal objective is fulfilled. The guidance further states that "Mitigation commitments needed to lower the level of impacts so that they are not significant should be clearly described in the mitigated FONSI [finding of no significant impact] document and in any other relevant decision documents related to the proposed action." Therefore, any Corps-issued Environmental Assessment coupled with a FONSI for this project should include that information. We look forward to receiving and reviewing the mitigation plan documents as they become available.

One additional remaining concern for EPA is the proposed project's right-of-way (ROW). At various times throughout the documents supplied by PREPA, the ROW is described as being 100, 150 or 50 feet wide. The applicant's consultant has provided a brief description of the ROW categories, but we would appreciate a written, detailed explanation of the concept and its implementation along the final pipeline route in order to include it in the project review file for future reference.

In summary, we believe PREPA has addressed most of our major concerns regarding the Via Verde Natural Gas Pipeline project. However, additional information is required to fully comply with the Clean Water Act, Section 404(b)(1) Guidelines requirements. We, therefore, condition our approval of the proposed project to receiving, for review and approval, a comprehensive mitigation plan which addresses compensation for both, temporary and permanent impacts to wetlands and a detailed explanation of the project's variable right-of-way before project construction activities begin. In addition, we request that the permit includes a special condition requiring the presence of independent qualified personnel during drilling operations to closely monitor the process and stop work if any issues or abnormalities are detected.

If you have any questions or require additional information on this matter, please contact Ms. Teresita Rodríguez, Chief of the Multimedia Permits and Compliance Branch (MPCB), at 787-977-5864 or Mr. José Soto, of the MPCB, at 787-977-5829.

Sincerely,

Carl-Axel P. Soderberg  
Director

CC: USFWS-Cabo Rojo, PR  
DNER- San Juan, PR  
PRPB- San Juan, PR  
PREQB- San Juan, PR

**Via Verde - Draft Follow Up Letter**  
**Teresita Rodriguez** to: Carl Soderberg  
Cc: Jose Font, Jose Soto

03/30/2011 06:46 PM

Carl,

Attached you'll find a draft letter which includes our latest comments on the Via Verde project based on a review of the information submitted by PREPA. Please, let us now if you have any questions.

Thanks,

Tere



Draft Follow Up letter.docx

Sindulfo Castillo  
Chief, Antilles Regulatory Section  
Jacksonville District Corps of Engineers  
400 Fernández Juncos Avenue  
San Juan, Puerto Rico 00901-3299

Re: Vía Verde Natural Gas Pipeline; SAJ-2010-02881 (IP-EWG)

Dear Mr. Castillo:

This is in further reference to the Vía Verde natural gas pipeline project proposed by the Puerto Rico Electric Power Authority (PREPA). Since our December 23, 2010 letter, additional information has been provided by PREPA and its consultants to address the U.S. Environmental Protection Agency's (EPA's) concerns. In addition, the applicant met with EPA representatives on several occasions to present and/or discuss such additional information, including chapters four and six of the local Environmental Impact Statement (EIS) for the project, plus several summary sections.

In our previous letter, EPA objected to the issuance of a Department of the Army permit for the project based on the lack of a detailed alternatives analysis, concerns regarding the use of directional drilling, the lack of suitable compensatory mitigation to address wetlands impacts, and the need to complete a federal Environmental Impact Statement (EIS) for the project. The comments provided herein are based on a thorough review of the additional information furnished by the applicant and its consultants.

To address the alternatives analysis issue, PREPA provided information on the alternatives contained in the local EIS prepared for the project. These included a no action alternative, the construction of a natural gas import terminal on the north coast of the island, tanker and buoy systems and/or transfer platforms for receipt of natural gas at PREPA's Palo Seco, San Juan and Cambalache plants, gravity based systems, floating storage and re-gasification units, and several terrestrial alignments for a natural gas pipeline system. While this represents a significant milestone in the review of alternatives for the project, the documents provided included an additional option: The use of natural gas at PREPA's existing Costa Sur and Aguirre power generating facilities on the south coast of Puerto Rico, combined with the conversion of the nearby Las Mareas Port facility to receive liquefied natural gas (LNG) as means to achieve significant energy production using an alternative fuel. This project, formerly known as the "*Gasoducto del Sur*", was previously considered by PREPA as means to address the diversification of the electric power supply methods in Puerto Rico. The project was briefly

mentioned in response to comments from the U.S. Army Corps of Engineers and the Puerto Rico Engineers and Surveyors Association. EPA believed that PREPA's dismissal of this alternative was inconsistent with the current project's overall project purpose, since it would provide PREPA with an alternative fuel option for two major generating facilities with lesser environmental impacts. However, after evaluating additional information furnished by the applicant's environmental consultant, it appears that *Gasoducto del Sur* was geared to provide natural gas to the combined cycle units located at the Aguirre Power Plant with a 592 MW operational capacity. On the other hand, Via Verde would provide natural gas and an increase in PREPA's operational capabilities to a total of 1,519 MW. Moreover, the Via Verde Project would provide PREPA with the flexibility to operate the most efficient power generating units on the island, which are located on the north coast, through the monitoring of each unit's rated capacity, individual fuel consumption and the type of fuel that fosters the lowest power generating costs. The Via Verde project would thus allow a more efficient use of such power generating units, allowing reductions in the transmission losses, as observed in other PREPA electric power transfer systems. EPA also defers to PREPA's expertise on the fact that "*Gasoducto del Sur*" may destabilize the island's electrical system, resulting in frequent collapses of the electric network of Puerto Rico. Upon further consideration of the supplied information, EPA believes that the alternatives analysis issues have been fully addressed by the applicant. These included the a no action alternative, the construction of a natural gas import terminal on the north coast of the island, tanker and buoy systems and/or transfer platforms for receipt of natural gas at PREPA's Palo Seco, San Juan and Cambalache plants, gravity based systems, floating storage and re-gasification units, and several terrestrial alignments for a natural gas pipeline system. Supplemental information was provided regarding the "*Gasoducto del Sur*", one of the alternatives also considered. Upon further consideration of the supplied information, EPA believes that the alternatives analysis issues have been fully addressed by the applicant.

In regards to EPA's concerns about the use of directional drilling in wetlands and karst terrain, PREPA provided additional information regarding best management practices, the monitoring to be performed and the presence of specialized personnel during drilling operations to monitor the process and stop work immediately if any escape of bentonite mud into karst formations and/or waters of the United States is suspected. In addition, during a March 2, 2011 meeting at the Corps of Engineers, PREPA's consultants announced that directional drilling operations in karst terrain would be greatly reduced, since the pipeline route would be altered to circumvent haystack hills ("*mogotes*"), light equipment would be used, and a pipeline pull method would be required to further reduce impacts. We commend PREPA on these impact reduction measures, and remain confident that best management practices, combined with adequate monitoring by qualified personnel should minimize any undesirable impacts from directional drilling. EPA recommends that that a special condition to the Corps of Engineers permit, requiring the presence of a trained geologist/engineer with expertise on karst terrain in the field at all times during drilling operations to closely monitor the process and stop work if any issues or abnormalities are detected be included. We also urge the Corps to consider additional special conditions requiring the avoidance of major karst formations during pipeline construction.



In our previous letter, we commented on the unsuitability of the initially proposed compensation for unavoidable impacts to aquatic resources. Additional information supplied by PREPA to address this issue includes, among others, a commitment to coordinate with the Department of Natural and Environmental Resources (DNER) to develop suitable on-site mitigation in a 3:1 ratio for any unavoidable impacts to aquatic resources. While PREPA has repeatedly stated that a suitable mitigation plan would be developed in a timely manner, EPA believes that such plan must be reviewed and accepted by the Corps of Engineers' resource agencies before construction of the project begins. In addition, questions remain regarding the concept of "temporary impacts". PREPA expresses that after placing the pipeline, areas would be immediately brought back to initial conditions so that natural re-colonization by prevailing vegetation begins. However, sections of the local Environmental Impact Statement (EIS) prepared for the project indicate a willingness to enhance areas by suppressing invasive and/or nuisance species at locations such as Caño Tiburones or other ecologically valuable areas. If PREPA plans to pursue such wetlands enhancement options, the areas need to be identified, quantified, and a specific plan to address local conditions must be developed. Additional details on the management/maintenance methods to be used need to be clarified. EPA believes that any mitigation and/or wetlands enhancement plans should include performance/success rates to evaluate their suitability and long term viability. Furthermore, please be advised that on January 14, 2011 the Council on Environmental Quality (CEQ) provided guidance for departments and agencies of the Federal government on mitigation and monitoring of activities. As highlighted in this guidance, "Mitigation measures included in the project design are integral components of the proposed action, are implemented with the proposed action, and therefore should be clearly described as part of the proposed action." Therefore, EPA believes that a more robust description of the mitigation and monitoring plans needs to be developed to ensure that this federal objective is fulfilled. The guidance further states that "Mitigation commitments needed to lower the level of impacts so that they are not significant should be clearly described in the mitigated FONSI [finding of no significant impact] document and in any other relevant decision documents related to the proposed action." Therefore, any Corps-issued Environmental Assessment coupled with a FONSI for this project should include that information. We look forward to receiving and reviewing the mitigation plan documents as they become available.

One additional remaining concern for EPA is the proposed project's right-of-way (ROW). At various times throughout the documents supplied by PREPA, the ROW is described as being 100, 150 or 50 feet wide. The applicant's consultant has provided a brief description of the ROW categories, but we would appreciate a written, detailed explanation of the concept and its implementation along the final pipeline route in order to include it in the project review file for future reference.

In summary, we believe PREPA has addressed most of our major concerns regarding the Via Verde Natural Gas Pipeline project. However, additional information is required to fully comply with the Clean Water Act, Section 404(b)(1) Guidelines requirements. We, therefore, condition our approval of the proposed project to receiving, for review and approval, a comprehensive mitigation plan which addresses compensation for both, temporary and permanent impacts to

wetlands and a detailed explanation of the project's variable right-of-way before project construction activities begin. In addition, we request that the permit includes a special condition requiring the presence of qualified personnel during drilling operations to closely monitor the process and stop work if any issues or abnormalities are detected.

If you have any questions or require additional information on this matter, please contact Ms. Teresita Rodríguez, Chief of the Multimedia Permits and Compliance Branch (MPCB), at 787-977-5864 or Mr. José Soto, of the MPCB, at 787-977-5829.

Sincerely,

Carl-Axel P. Soderberg  
Director

CC: USFWS-Cabo Rojo, PR  
DNER- San Juan, PR  
PRPB- San Juan, PR  
PREQB- San Juan, PR

Re: Via Verde - DRAFT # 2   
Teresita Rodriguez to: Jose Soto

03/30/2011 04:01 PM

Jose,

Shouldn't the letter be addressed to Mr. Rosado, Deputy District Engineer?

Jose Soto

Hello!

03/30/2011 03:43:21 PM

From: Jose Soto/R2/USEPA/US  
To: Teresita Rodriguez/R2/USEPA/US@EPA  
Date: 03/30/2011 03:43 PM  
Subject: Re: Via Verde - DRAFT # 2

Hello!

I saw the letter. While I agree with your comment regarding the alternatives analysis, I wrote the lengthy explanation in order to clarify issues. In addition, remember that the original draft requested information regarding Gasoducto del Sur, and that Danny Pagan provided information that has not been coordinated through the Corps. I believe including the explanation would remove us from the Gasoducto del Sur issue should it arise during further evaluation or community comments.

On a related note, please be advised that I will be attending a meeting with representatives from the Pipeline Hazardous Materials Agency at the Corps of Engineers tomorrow. It is my understanding that the Agency wants to meet local Federal agencies to exchange information and provide insight as to the level of scrutiny required for Via Verde. It is possible that additional issues that have not been considered might appear during the meeting. I think we should hang on to the draft a bit longer in case further changes are needed as a result of the meeting.

-Jose M.

-----Terresita Rodriguez/R2/USEPA/US wrote: -----  
To: Jose Soto/R2/USEPA/US@EPA  
From: Teresita Rodriguez/R2/USEPA/US  
Date: 03/30/2011 02:05PM  
Subject: Re: Via Verde - DRAFT # 2

Hola Jose,

Attached please find the draft Via Verde letter with my comments. As you will see, I propose shortening the alternatives analysis paragraph since it is not an issue anymore and just one of the alternatives was being discussed. I propose leaving the more detailed discussion for the issues that we are still concerned about (mitigation, ROW). However, if you feel strongly that the alternatives discussion should be in the letter, I'll go along with your recommendation.

The other modifications I made are really minor. Feel free to make additional modifications as you see fit.

Thanks,

Tere

*(See attached file: Follow Up letter 2TR.docx)*

Jose Soto---03/29/2011 11:51:00 AM---Attached is draft # 2 of the Via Verde letter, including modifications as per the additional informa

From: Jose Soto/R2/USEPA/US  
To: Carl Soderberg/R2/USEPA/US@EPA  
Cc: Teresita Rodriguez/R2/USEPA/US@EPA, Jose Font/R2/USEPA/US@EPA  
Date: 03/29/2011 11:51 AM  
Subject: Via Verde - DRAFT # 2

Attached is draft # 2 of the Via Verde letter, including modifications as per the additional information submitted by Danny Pagan.

Please let me know of any comments and/or changes.

Thanks!

Jose Soto  
Multimedia Permits and Compliance Branch  
Phone: (787) 977-5829

[attachment "Via Verde follow-up letter - March 29, 2011 - DRAFT #2.docx" deleted by Teresita Rodriguez/R2/USEPA/US]

[attachment "Follow Up letter 2TR.docx" removed by Jose Soto/R2/USEPA/US]

**Fw: Via Verde - DRAFT # 2**  
Teresita Rodriguez to: Jose Font

03/30/2011 03:48 PM

----- Forwarded by Teresita Rodriguez/R2/USEPA/US on 03/30/2011 03:55 PM -----

From: Jose Soto/R2/USEPA/US  
To: Teresita Rodriguez/R2/USEPA/US@EPA  
Date: 03/30/2011 03:43 PM  
Subject: Re: Via Verde - DRAFT # 2

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Tere

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From: Jose Soto/R2/USEPA/US

To: Carl Soderberg/R2/USEPA/US@EPA

Cc: Teresita Rodriguez/R2/USEPA/US@EPA, Jose Font/R2/USEPA/US@EPA

Date: 03/29/2011 11:51 AM

Subject: Via Verde - DRAFT # 2

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Please let me know of any comments and/or changes.

Thanks!

Jose Soto

Multimedia Permits and Compliance Branch

Phone: (787) 977-5829

[attachment "Via Verde follow-up letter - March 29, 2011 - DRAFT #2.docx" deleted by Teresita Rodriguez/R2/USEPA/US]

[attachment "Follow Up letter 2TR.docx" removed by Jose Soto/R2/USEPA/US]

**Re: Via Verde - DRAFT # 2**  
Teresita Rodriguez to: Jose Soto  
Bcc: Jose Font

03/30/2011 03:05 PM

Hola Jose,

Attached please find the draft Via Verde letter with my comments. As you will see, I propose shortening the alternatives analysis paragraph since it is not an issue anymore and just one of the alternatives was being discussed. I propose leaving the more detailed discussion for the issues that we are still concerned about (mitigation, ROW). However, if you feel strongly that the alternatives discussion should be in the letter, I'll go along with your recommendation.

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Follow Up letter 2TR.docx

Jose Soto

Attached is draft # 2 of the Via Verde letter, including modifications as per the a...

03/29/2011 11:51:00 AM

From: Jose Soto/R2/USEPA/US  
To: Carl Soderberg/R2/USEPA/US@EPA  
Cc: Teresita Rodriguez/R2/USEPA/US@EPA, Jose Font/R2/USEPA/US@EPA  
Date: 03/29/2011 11:51 AM  
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Attached is draft # 2 of the Via Verde letter, including modifications as per the additional information submitted by Danny Pagan.

Please let me know of any comments and/or changes.

Thanks!

Jose Soto  
Multimedia Permits and Compliance Branch  
Phone: (787) 977-5829

[attachment "Via Verde follow-up letter - March 29, 2011 - DRAFT #2.docx" deleted by Teresita Rodriguez/R2/USEPA/US]



Mr. Edgar W. García  
Regulatory Project Manager  
Antilles Regulatory Section  
Jacksonville District Corps of Engineers  
400 Fernandez Juncos Avenue  
San Juan, Puerto Rico 00901-3299

Re: Vía Verde Natural Gas Pipeline; SAJ-2010-02881 (IP-EWG)

Dear Mr. García:

This is in reference to the Vía Verde natural gas pipeline project proposed by the Puerto Rico Electric Power Authority (PREPA). After our December 23, 2010 letter, additional information has been provided by PREPA and its consultants to address the U.S. Environmental Protection Agency's (EPA's) concerns. In addition, the applicant has met with EPA representatives on several occasions to present and/or discuss such additional information, including several chapters of the local Environmental Impact Statement (EIS) for the project. These updated comments on the project are based on a thorough review of the additional information furnished by the applicant.

EPA originally objected to the issuance of a Department of the Army permit for the project based on the lack of a detailed alternatives analysis, concerns regarding the use of directional drilling, the lack of suitable compensatory mitigation to address wetlands impacts, and the need to complete a federal Environmental Impact Statement (EIS) for the project. After evaluating the additional information delivered by the applicant, EPA has the following comments.

PREPA provided information, contained in the local EIS prepared for the project, regarding the alternatives analysis performed for the project. These included the a no action alternative, as well as the conversion of other PREPA facilities to natural gas and several terrestrial pipeline alignments. We believe that PREPA has satisfactorily addressed our alternatives analysis concern per requirements of the 404(b)(1) guidelines.

In regards to EPA's concerns regarding the use of directional drilling in wetlands and karst terrain, PREPA provided additional information regarding best management practices, the monitoring to be performed and the presence of specialized personnel during drilling operations to monitor the process and stop work immediately if any escape of bentonite mud

into karst formations and/or waters of the United States is suspected. In addition, during a March 2, 2011 meeting at the Corps of Engineers, PREPA's consultants announced that directional drilling operations in karst terrain would be greatly reduced, since the pipeline route would be altered to circumvent haystack hills ("mogotes"), light equipment would be used, and a pipeline pull method would be required to further reduce impacts. We commend PREPA on these impact reduction measures, and remain confident that the best management practices, combined with adequate monitoring, should minimize any impacts from directional drilling. EPA urges the Corps of Engineers to consider a special condition to the permit requiring the presence of a trained geologist/engineer with expertise on karst terrain during drilling operations to closely monitor the operations and stop work if any abnormalities are detected. Another special condition mandating the avoidance of karst formations during pipeline placement should also be considered.

In our previous letter, we commented on the perceived unsuitability of the initially proposed compensation for unavoidable impacts to aquatic resources. Additional information supplied by PREPA to address this issue includes, among others, a commitment to coordinate with the Department of Natural and Environmental Resources (DNER) to develop suitable on-site mitigation in a 3:1 ratio for any unavoidable impacts to aquatic resources. While PREPA has stated that a suitable mitigation plan would be developed in a timely manner, EPA believes that such plan must be reviewed and accepted by the Corps of Engineers' resource agencies before a permit is issued. In addition, questions regarding the concept of "temporary impacts" proposed by PREPA remain. While PREPA expresses that after placing the pipeline, areas would be immediately brought back to initial conditions so that natural re-colonization by suitable wetlands species begins, several of the documents indicate a willingness to enhance areas by suppressing invasive and/or nuisance species. These "enhancement" areas need to be identified and quantified. We also think that additional details on the management/maintenance methods to be used need to be clarified. In addition, we believe that the mitigation and/or wetlands enhancement plans should include performance/success rates to evaluate their suitability and long term viability. Furthermore, please be advised that on January 14, 2011 the Council on Environmental Quality (CEQ) provided guidance for departments and agencies of the Federal government on mitigation and monitoring of activities. As highlighted in this guidance, "Mitigation measures included in the project design are integral components of the proposed action, are implemented with the proposed action, and therefore should be clearly described as part of the proposed action." Therefore, EPA feels that a more robust description of the mitigation and monitoring plans needs to be developed to ensure that this federal objective is fulfilled. The guidance further states that "Mitigation commitments needed to lower the level of impacts so that they are not significant should be clearly described in the mitigated FONSI [finding of no significant impact] document and in any other relevant decision documents related to the proposed action." Therefore, any Corps-

issued Environmental Assessment coupled with a FONSI for this project should include that information. We look forward to receiving and reviewing any mitigation planning documents as they become available.

One additional remaining concern for EPA is the proposed project's right-of-way (ROW). At various times throughout the documents supplied by PREPA, the ROW is described as being 100, 150 or 50 feet wide. While the applicant has since explained the concept of a variable ROW at the meetings, we would appreciate a written, detailed explanation of this concept in order to include it in the project review file. If possible, PREPA should provide this information on a map, including the location of any staging areas or work platforms needed during construction. This information would help EPA determine whether there are any other issues that need to be addressed within the ROW in order to provide substantive comments to the Corps and PREPA.

In summary, while PREPA has addressed our major concerns regarding the Via Verde Natural Gas Pipeline project, EPA believes that some additional information is required to fully comply with the Clean Water Act, Section 404(b)(1) Guidelines requirements. Specifically, we request the consideration of special conditions to the permit addressing our concerns regarding the use of directional drilling, additional details regarding the project's compensatory mitigation plan, and a detailed explanation of the project's variable right-of-way, including maps and staging areas. We therefore condition our approval of the proposed permit project to the submittal and positive evaluation of data to alleviate our remaining concerns.

If you have any questions or require additional information on this matter, please contact Ms. Teresita Rodríguez, Chief of the Multimedia Permits and Compliance Branch (MPCB), at 787-977-5864 or Mr. José Soto, of the MPCB, at 787-977-5829.

Sincerely,

Carl-Axel P. Soderberg

Director

CC: USFWS-Cabo Rojo, PR

DNER- San Juan, PR

PRPB- San Juan, PR

PREQB- San Juan, PR