



US Army Corps
of Engineers
Alaska District

Public Notice of Application for Permit

Regulatory Division
CEPOA-RD
Post Office Box 6898
JBER, Alaska 99506-0898

PUBLIC NOTICE DATE: November 6, 2013
EXPIRATION DATE: December 9, 2013
REFERENCE NUMBER: POA-2013-538
WATERWAY: Putuligayuk River

Interested parties are hereby notified that a Department of the Army (DA) permit application has been received for work in waters of the United States, including wetlands, as described below and shown on the enclosed project figures.

Comments on this proposed project, with the reference number listed above (POA-2013-538, Putuligayuk River), must be submitted to the US Army Corps of Engineers (USACE) no later than the expiration date of this Public Notice to become part of the administrative record and be considered in our permit decision. Comments must be submitted to Harry A. Baij Jr. at (907) 753-2784, toll-free from within Alaska at 800-478-2712, by fax at (907) 753-5567, or by email harry.a.baij@usace.army.mil. Further detailed information may be obtained by contacting Mr. Paul McLarnon at (907) 644-2020 or by email Paul.McLarnon@hdrinc.com at the contact information given below. The applicant, the Alaska Industrial Development and Export Authority (AIDEA) has provided other documents in support of their proposal for their Interior Energy Project development.

APPLICANT: Mr. Matthew Narus, Alaska Industrial Development and Export Authority (AIDEA), Project Manager, 813 West Northern Light Blvd., (907) 771-3015, email: mnarus@aidea.org, Anchorage, Alaska 99503

LOCATION: North Slope Borough, Prudhoe Bay Operating Unit, near Deadhorse, Alaska. The site is located along Spine Road between British Petroleum Exploration (Alaska)'s Drill Site 6 and Drill Site 14, at approximate Latitude 70.24415, and Longitude -148.52592), within Sections 2 and 11, Township 10 North, Range 14 East, Umiat Meridian; US Geological Survey Quadrangle Maps, Beechey Point B-3 and Beechey Point A-3.

PURPOSE: AIDEA's stated purpose is to reduce fuel costs and improve air quality within the FNSB (Fairbanks North Star Borough) by making a supply of liquefied natural gas available on the North Slope of Alaska for overland transportation to the FNSB to meet residential, commercial, and industrial demands.

PROPOSED WORK: Construct a liquefied natural gas facility. 14.97 acres of permafrost tundra wetlands would be filled with 150,800 cubic yards of local source gravel material. Fill would be discharged into the wetlands for construction of an operations pad, access road and misc. small fills areas to support infrastructure and operations

Types of Material Being Discharged and Amount of Each Type in Cubic Yards (CY) and Acres

Project Component	Excavation Volume Total (CY)	Permanent Wetland Impacts (Acres)	Permanent Upland Impacts (Acres)	Fill Volume Total (CY)
Operations Pad	0	14.46	0	147,900
Access Road	0	0.43	0	2,300
Pipeline Vertical Support Members	150	0.003	0	150
Pigging Pad	0	0.074	0.007	450
Total	150	14.86	0.007	150,800

Project Component	Temporary Wetland Impacts (Acres)	Temporary Upland Impacts (Acres)
200 ft. x 200 ft. Ice Pad	0.92	0
200 ft. x 400 ft. Ice Pad	1.84	0
60 ft. x 2,200 ft. Ice Road	3.03	0.096
Total	5.79	0.096

NOTE: Ice roads and pads are not regulated by the USACE as discharges of dredged or fill material and data is listed here by request of AIDEA (applicant).

All work would be performed in accordance with the enclosed plan (Figures 1-5.3), dated September 3-5, 2013.

ADDITIONAL INFORMATION:

The proposed Liquefied Natural Gas (LNG) facility would be supplied by an 8-inch feed gas pipeline which would extend from an existing gas pipeline located approximately 2,220 linear feet north of the proposed facility. The facility would be constructed on a 14.46 acre operations gravel pad with a 255-foot long by 55-foot wide access road connected to the existing Spine Road. Construction efforts would require a 2,220-foot long by 60-foot wide temporary ice road for construction of the feed gas pipeline. Two ice pads, one measuring 400-foot long by 200-foot wide and another measuring 200-foot long by 200-foot wide would be used for temporary construction lay down areas.

Gravel fill material is planned to be obtained from PUT 23 which is an existing material source located in the Prudhoe Bay Operating Unit, approximately 7 miles from the project site.

The proposed facility would produce a capacity of 300,000 gallons per day of LNG from a total annual capacity of 9 billion cubic feet of natural gas. This includes the amount used for all required gas treatment and electric power generation. Utility systems include plant and instrument air, gaseous and liquid nitrogen, fire protection systems, potable water, and wastewater systems. Electric power would be supplied using on-site gas turbine generators. AIDEA proposes producing and selling LNG and commercial grade propane from their North Slope location. Separate commercial entities would transport the products to the Fairbanks area.

AIDEA has or will provide the USACE with supporting documentation to supplement their permit application. This documentation includes:

- The "Interior Energy Project North Slope Liquefied Natural Gas Facility Project Description", dated September 2013;
- The "Office-Based Jurisdictional Determination Report and Wetland functional Assessment North Slope, Alaska", dated September 2013;
- A polar bear and wildlife interaction plan will be developed that provides procedures to protect personnel, polar bears, grizzly bears, foxes, and other wildlife; and
- A proposed design for facility lighting to reduce potential flight casualties to birds, by limiting light heights and installing light hoods to project light downwards.

APPLICANT PROPOSED MITIGATION: AIDEA proposes the following mitigation measures to avoid, minimize, and compensate for impacts to waters of the US from activities involving discharges of dredged or fill material:

Avoidance: Due to the abundance of wetlands on the North Slope, and the project vicinity, avoiding all fill discharges into wetlands is not practicable. Some avoidance measures proposed are:

- A minimum 100-foot setback from the Little Putuligayuk River;
- Pipeline vertical support members constructed using ice roads and an ice pad to reduce the need for temporary fill placement into wetlands;
- The PIG launching pad would be located to provide 100-foot setback from the Little Putuligayuk River; and Fill area boundaries would be clearly delineated to avoid equipment and material placement from unnecessary impacts.

Minimization: Practicable minimization measures have been incorporated into the project location and design.

a. Minimizing direct impacts to wetlands would include:

- The LNG facility pad location was chosen to reduce fill quantities and footprints in wetlands and avoids all surface waters. No defined stream channels or anadromous or resident fish streams would be crossed;
- Minimizing the size of the gravel pad and access road by optimizing the facility design and equipment layout. The proposed design dimensions are the minimum size necessary to provide safe operations and meet required processing needs;
- Natural drainage patterns would be maintained by locating fill away from streams and installing adequate quantities and sizes of cross-drainage culverts to avoid/minimize wetland hydrology;
- No longitudinal encroachments or any significant floodplain encroachments would occur;

b. Minimizing secondary impacts to wetlands or other resources would include:

- Avoiding ground disturbing construction activities during bird nesting season (June 1 to July 31) to prevent impacts to nesting birds, their eggs, and chicks;
- The proposed access road and fill pad would have standard permafrost insulation depths (5 foot minimum) to maintain the integrity of the underlying permafrost;
- The proposed pipeline construction would include a minimum of 7-feet above the ground surface to allow unrestricted passage of wildlife and prevent thermal impacts on the permafrost wetlands;
- The proposed gravel access road to the LNG facility would be watered to prevent or reduce fugitive dust emissions;

Compensatory Mitigation: AIDEA proposes payment of an in-lieu fee to The Conservation Fund for the unavoidable permanent impacts to 14.97 acres of wetlands. No compensatory mitigation is proposed for the temporary impacts related to construction activities which would occur in the winter season during frozen conditions.

WATER QUALITY CERTIFICATION: A permit for the described work will not be issued until a certification or waiver of certification, as required under Section 401 of the Clean Water Act (Public Law 95-217) has been received from the Alaska Department of Environmental Conservation.

CULTURAL RESOURCES: The latest published version of the Alaska Heritage Resources Survey (AHRs) has been consulted for the presence or absence of historic properties, including those listed in or eligible for inclusion in the National Register of Historic Places. There are no listed or eligible properties exist in the vicinity of the worksite. Consultation of the AHRs constitutes the extent of cultural resource investigations by the District Commander at this time, and he is otherwise unaware of the presence of such resources. This application is being coordinated with the State Historic Preservation Office (SHPO) and the North Slope Borough (NSB). Any comments SHPO or the NSB may have concerning presently unknown archeological or historic data that may be lost or destroyed by work under the requested permit will be considered in our final assessment of the described work. No cultural resources were identified within the project area during field surveys conducted by AIDEA's agent during the week of September 2, 2013.

ENDANGERED SPECIES: The project area is within the known or historic range of the listed Polar bear (*Ursus maritimus*), Spectacled eider (*Somateria fischeri*), and Steller's eider (*Polysticta stelleri*). The Yellow-billed loon (*Gavia adamsii*), a candidate species proposed for listing, may inhabit the project area. We have determined the described activity may affect the threatened polar bear and threatened spectacled eider as the proposed construction work would occur within their known range during time periods when the species could be present. We have initiated informal consultation procedures with the USFWS under the Endangered Species Act of 1973 (87 Stat. 844). Fixed wing aerial surveys conducted by the USFWS during the breeding season for the years 1992-2012 revealed no spectacled eiders, Steller's eiders, or Yellow-billed loons in the project area. The project area does not include features which would be categorized as typical polar bear denning habitat. Any comments the USFWS may have concerning endangered or threatened wildlife or plants or their critical habitat will be considered in our final assessment of the described work.

ESSENTIAL FISH HABITAT: The Magnuson-Stevens Fishery Conservation and Management Act, as amended by the Sustainable Fisheries Act of 1996, requires all Federal agencies to consult with the NMFS on all actions, or proposed actions, permitted, funded, or undertaken by the agency, that may adversely affect Essential Fish Habitat (EFH). We have determined the described activity would not adversely affect EFH in the project area. No open water areas would be impacted by the proposed project.

TRIBAL CONSULTATION: The Alaska District fully supports tribal self-governance and government-to-government relations between federally recognized Tribes and the Federal government. Tribes with protected rights or resources that could be significantly affected by a proposed Federal action (e.g., a permit decision) have the right to consult with the Alaska District on a government-to-government basis. Views of each Tribe regarding protected rights and resources will be accorded due consideration in this process. This Public Notice serves as notification to the Tribes within the area potentially affected by the proposed work and invites their participation in the Federal decision-making process regarding the protected Tribal right or resource. Consultation may be initiated by the affected Tribe upon written request to the District Commander during the public comment period.

PUBLIC HEARING: Any person may request, in writing, within the comment period specified in this notice, that a public hearing be held to consider this application. Requests for public hearings shall state, with particularity, reasons for holding a public hearing.

EVALUATION: The decision whether to issue a permit will be based on an evaluation of the probable impacts, including cumulative impacts of the proposed activity and its intended use on the public interest. Evaluation of the probable impacts, which the proposed activity may have on the public interest, requires a careful weighing of all the factors that become relevant in each particular case. The benefits, which reasonably may be expected to accrue from the proposal, must be balanced against its reasonably foreseeable detriments. The outcome of the general balancing process would determine whether to authorize a proposal, and if so, the conditions under which it will be allowed to occur. The decision should reflect the national concern for both protection and utilization of important resources. All factors, which may be relevant to the proposal, must be considered including the cumulative effects thereof. Among those are conservation, economics, aesthetics, general environmental concerns, wetlands, cultural values, fish and wildlife values, flood hazards, floodplain values, land use, navigation, shore erosion and accretion, recreation, water supply and conservation, water quality, energy needs, safety, food and fiber production, mineral needs, considerations of property ownership, and, in general, the needs and welfare of the people. For activities involving 404 discharges, a permit will be denied if the discharge that would be authorized by such permit would not comply with the Environmental Protection Agency's 404(b)(1) guidelines. Subject to the preceding sentence and any other applicable guidelines or criteria (see Sections 320.2 and 320.3), a permit will be granted unless the District Commander determines that it would be contrary to the public interest.

The Corps of Engineers is soliciting comments from the public; Federal, State, and local agencies and officials; Indian Tribes; and other interested parties in order to consider and evaluate the impacts of this proposed activity. Any comments received will be considered by the Corps of Engineers to determine whether to issue, modify, condition or deny a permit for this proposal. To make this decision, comments are used to assess impacts on endangered species, historic properties, water quality, general environmental effects, and the other public interest factors listed above. Comments are used in the preparation of an Environmental Assessment and/or an Environmental Impact Statement pursuant to the National Environmental Policy Act. Comments are also used to determine the need for a public hearing and to determine the overall public interest of the proposed activity.

AUTHORITY: This permit will be issued or denied under the following authority:

(X) Discharge dredged or fill material into waters of the United States – Section 404 Clean Water Act (33 U.S.C. 1344). Therefore, our public interest review will consider the guidelines set forth under Section 404(b) of the Clean Water Act (40 CFR 230).

Project drawings (Figures) and a Notice of Application for State Water Quality Certification are enclosed with this Public Notice.

District Commander
U.S. Army, Corps of Engineers

Enclosures

STATE OF ALASKA

**DEPT. OF ENVIRONMENTAL CONSERVATION
DIVISION OF WATER
401 Certification Program
Non-Point Source Water Pollution Control Program**

DEPARTMENT OF ENVIRONMENTAL CONSERVATION
WQM/401 CERTIFICATION
555 CORDOVA STREET
ANCHORAGE, ALASKA 99501-2617
PHONE: (907) 269-7564/FAX: (907) 334-2415

**NOTICE OF APPLICATION
FOR
STATE WATER QUALITY CERTIFICATION**

Any applicant for a federal license or permit to conduct an activity that might result in a discharge into navigable waters, in accordance with Section 401 of the Clean Water Act of 1977 (PL95-217), also must apply for and obtain certification from the Alaska Department of Environmental Conservation that the discharge will comply with the Clean Water Act, the Alaska Water Quality Standards, and other applicable State laws. By agreement between the U.S. Army Corps of Engineers and the Department of Environmental Conservation, application for a Department of the Army permit to discharge dredged or fill material into navigable waters under Section 404 of the Clean Water Act also may serve as application for State Water Quality Certification.

Notice is hereby given that the application for a Department of the Army Permit described in the Corps of Engineers' file number POA-2013-538, Putuligayuk River, serves as application for State Water Quality Certification from the Department of Environmental Conservation.

After reviewing the application, the Department may certify there is reasonable assurance the activity, and any discharge that might result, will comply with the Clean Water Act, the Alaska Water Quality Standards, and other applicable State laws. The Department also may deny or waive certification.

Any person desiring to comment on the project, with respect to Water Quality Certification, may submit written comments to the address above by the expiration date of the Corps of Engineer's Public Notice.