

## 1.0 INTRODUCTION

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The staff of the Federal Energy Regulatory Commission (FERC or Commission) prepared this draft Environmental Impact Statement (EIS) for public review and comment to assess the potential environmental effects that may occur as a result of the construction and operation of the Floridian Natural Gas Storage Project, which includes a proposed liquefied natural gas (LNG) storage facility and associated natural gas pipelines (collectively referred to as the Project or proposed action) in Martin County, Florida. Figure 1.0-1 shows the general location of the Project site.

On October 31, 2007, Floridian Gas Storage Company, LLC (FGS) filed an application with the FERC, in Docket No. CP08-13-000 under Section 7(c) of the Natural Gas Act, as amended, and Parts 157 and 284 of the Commission's regulations, seeking a Certificate of Public Convenience and Necessity (Certificate) to construct, own, and operate an LNG storage facility and associated natural gas pipelines and aboveground facilities. The application was noticed in the Federal Register on November 16, 2007.

### 1.1 PROJECT PURPOSE AND NEED

The purpose of the Project is to provide facilities necessary to liquefy, store, vaporize, and transport approximately four billion cubic feet (Bcf) of LNG to:

- meet the growing demand for natural gas and natural gas infrastructure in Florida;
- increase the reliability and security of the energy supply in Florida and the region;
- help stabilize and reduce the ultimate cost of fuel to consumers;
- provide added supply during peak demand and an emergency physical reserve on occasions when supply is shut in; and
- promote the more efficient use of the existing natural gas infrastructure within Florida.

Between 1990 and 2004, over 90 percent of the new electric power generation constructed in Florida has been natural gas-fired. By 2014, the percentage of generation fueled by natural gas is projected to increase from about 30 percent to about 44 percent (Florida Public Service Commission, 2006). During this same period, the amount of electricity generated in Florida is expected to increase 30 percent, resulting in an overall increase in the demand for natural gas of 76 percent from today's levels. At this time, natural gas pipelines serving the state are all fully subscribed and peak day demand is reaching the deliverability limits of the pipelines. As a result, there is a strong need within Florida for natural gas storage that will increase supply reliability and price stability.

Figure 1.0-1. General Location Map

## 1.2 PURPOSE AND SCOPE OF THIS EIS

The FERC is the federal agency responsible for authorizing applications to construct and operate onshore LNG storage facilities and interstate natural gas pipelines. The FERC is the lead federal agency for the preparation of this EIS in compliance with the requirements of the National Environmental Policy Act of 1969 (NEPA); the Council on Environmental Quality (CEQ) regulations for implementing NEPA (40 Code of Federal Regulations [CFR] 1500-1508); and FERC regulations implementing NEPA (18 CFR 380). The FERC will use this EIS as an element in its review of FGS' application to determine whether to authorize the Project and issue a Certificate. The Commission will consider the environmental issues, including our recommended mitigation measures, as well as non-environmental issues. Final authorization and issuance of a Certificate will be granted only if the Commission finds that the Project is in the public interest. The environmental impact assessment and mitigation discussed in this EIS are important factors in this final determination.

The U.S. Fish and Wildlife Service (FWS), U.S. Army Corps of Engineers (COE), and U.S. Environmental Protection Agency (EPA) are federal cooperating agencies for the development of this EIS. A federal cooperating agency has jurisdiction by law or special expertise with respect to any environmental impact involved with the proposal and is involved with the NEPA analysis.

Our principal purposes in preparing this EIS are to:

- identify and assess potential effects on the natural and human environment that would result from implementation of the proposed action;
- identify and assess reasonable alternatives to the proposed action that would avoid or minimize adverse impacts on the natural and human environment;
- identify and recommend specific mitigation measures to minimize environmental impacts; and
- facilitate public involvement in identifying significant environmental issues.

Our<sup>1</sup> analysis in this EIS focuses on facilities that would be under the FERC's jurisdiction (i.e., the proposed LNG storage facility, natural gas pipelines, and aboveground facilities). Two nonjurisdictional facilities (water and wastewater pipelines) would also be constructed in association with the Project (see Section 2.2 of this EIS).

This EIS describes the affected environment as it currently exists, discusses the environmental consequences of the proposed Project, and compares the proposed Project's potential effects to those of other reasonable alternatives. This EIS also presents our conclusions and recommended mitigation measures.

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<sup>1</sup> "We," "us" and "our" refer to the environmental staff of the FERC's Office of Energy Projects.

### 1.3 PERMITS, APPROVALS, AND REGULATORY REQUIREMENTS

As the lead federal agency responsible for the environmental review of the proposed Project, the FERC is required to comply with several federal laws and regulations including Section 7 of the Endangered Species Act of 1973 (ESA); Section 106 of the National Historic Preservation Act of 1966 (NHPA); and Section 307 of the Coastal Zone Management Act of 1972 (CZMA). The FERC encourages cooperation between applicants and state and local authorities, however, this does not mean that state and local agencies, through applications of state and local laws, may prohibit or unreasonably delay the construction or operation of facilities approved by the FERC. Any state or local permits issued with respect to jurisdictional facilities must be consistent with the conditions of any authorization issued by the FERC.<sup>2</sup> Table 1.3-1 summarizes the status of major permits, approvals, and consultations for the Project, along with the status of FGS' applications.

Table 1.3-1 Permits and Approvals		
Agency	Permit/Approval/ Consultations	Anticipated Filing Date and Status
<b>Federal</b>		
Federal Energy Regulatory Commission	Certificate (Section 7(c) of the Natural Gas Act)	Application filed on October 31, 2007
U.S. Department of the Army Corps of Engineers	Section 404 of the Clean Water Act	Application for an Environmental Resource Permit (ERP) filed on July 30, 2007. The ERP also serves as the §404 permit.
Federal Aviation Administration	Permit for objects that may affect navigable airspace	To be filed prior to construction
U.S. Environmental Protection Agency	Spill Prevention, Control and Countermeasure (SPCC) Plan approval	To be filed prior to construction
U.S. Fish and Wildlife Service	Section 7 of ESA consultation	Consultation initiated February 2007
<b>State</b>		
Florida Coastal Management Program	Certification that the Project is consistent with the federal CZMA and Florida Coastal Management Program (FCMP)	Application for an ERP filed on July 30, 2007; currently undergoing review by Florida Department of Environmental Protection. The ERP also serves as the FCMP consistency determination.
Florida Department of State	Section 106 of the NHPA consultation	Consultation with Florida Department of State and tribes completed. No further cultural work needed.

<sup>2</sup> See, e.g., *Schneidewind v. ANR Pipeline Co.*, 485 U.S. 293 (1988); *National Fuel Gas Supply v. Public Service commission*, 894 F.2d 571 (2nd Cir. 1990); and *Iroquois Gas Transmission System, L.P., et al.*, 52 FERC 61,091 (1990) and 59 FERC 61,094 (1992).

Table 1.3-1 (continued)		
Permits and Approvals		
Agency	Permit/Approval/ Consultations	Anticipated Filing Date and Status
Florida Department of Environmental Protection	Minor source air construction permit	Filed August 2007
	National Pollutant Discharge Elimination System (NPDES) Permit to discharge industrial wastewater	Filed January 2008
	Notice of Intent to discharge stormwater associated with construction activity	To be filed at least two days prior to construction
	NPDES Notice of Intent to discharge hydrotest water	To be filed prior to completion of the tank construction
	Environmental Resource Permit (ERP)/401 Water Quality Certification	FDEP issued notice of intent to issue the permit on February 14, 2008
	Potable water interconnect	Issued March 2008
	Sanitary wastewater interconnect	Filed February 2008
South Florida Water Management District	Water Use Permit / Consumptive Use Permit	Filed July 2007
Florida Fish and Wildlife Conservation Commission	Relocation Permit (Gopher Tortoise)	Prior to construction
<b>Local</b>		
Martin County	Major Development Master Site Plan	Filed April 2007
	Building Permit	Prior to Construction

### Endangered Species Act

Section 7 of the ESA, as amended, states that any project authorized, funded, or conducted by a federal agency (e.g., FERC) should not “jeopardize the continued existence of any endangered species or threatened species or result in the destruction or adverse modification of habitat of such species which is determined...to be critical” (16 United States Code [USC] §1536[a][2]). The FERC, or FGS as our non-federal representative, is required to consult with the FWS to determine whether any species federally listed or proposed for listing as endangered or threatened, or their designated critical habitat, occur in the vicinity of the proposed Project. If, upon review of existing data or data provided by FGS, the FERC determines that these species or habitats may be adversely affected by the proposed Project, the FERC is required to prepare a Biological Assessment to identify the nature and extent of the adverse impact and recommend measures that would avoid the habitat and/or species or reduce potential impacts to acceptable levels. If the FERC determines that no federally listed or proposed endangered or threatened species or their critical habitat would be affected by the

proposed Project, no further action is necessary. See Section 4.6 for additional information regarding our ESA review.

### **National Historic Preservation Act**

Section 106 of the NHPA requires the FERC to take into account the effects of its undertakings on properties listed in, or eligible for listing in, the National Register of Historic Places, including prehistoric or historic sites, districts, buildings, structures, objects, or properties of traditional religious or cultural importance; and to afford the Advisory Council on Historic Preservation (ACHP) an opportunity to comment on the undertaking. The FERC has requested that FGS, as our non-federal representative, assist in meeting the FERC's obligations under Section 106 by preparing the necessary information and analysis as required by the ACHP procedures in 36 CFR 800. See Section 4.10 for additional information regarding Section 106 consultation.

### **Coastal Zone Management Act**

The CZMA calls for the “effective management, beneficial use, protection, and development” of the nation’s coastal zone and promotes active state involvement in achieving those goals. As a means to reach those goals, the CZMA requires participating states to develop management programs that demonstrate how these states will meet their obligations and responsibilities in managing their coastal areas. In the state of Florida, the Florida Coastal Management Program (FCMP) has delegated the review of natural gas projects to the Florida Department of Environmental Protection (FDEP), which conducts the FCMP review as part of its overall permit application review. Because section 307 of the CZMA requires federal agency activities to be consistent to the maximum extent practicable with the enforceable policies of a state’s management program, the FERC has requested that FGS seek a determination of consistency with Florida’s FCMP. See Section 4.7.4 for additional information regarding the Project’s consistency with the FCMP.

## **1.4 PUBLIC OUTREACH AND COMMENTS**

On December 21, 2006, FGS filed a request with the FERC to implement the Commission’s Pre-filing Process for the FGS Project. At that time, FGS was in the preliminary design stage of the proposed Project and no formal application had been filed with the FERC. On January 10, 2007, the FERC granted FGS’ request and established a Pre-filing docket number (PF07-3-000) to place information relevant to the proposed Project into the public record. The purpose of the Pre-filing Process is to encourage the early involvement of interested stakeholders, facilitate interagency cooperation, and identify and resolve issues before an application is filed with the FERC.

As part of our Pre-filing review, we issued a *Notice of Intent to Prepare an Environmental Impact Statement for the Proposed Floridian Natural Gas Storage Project, Request for Comments on Environmental Issues, and Notice of Public Scoping Meeting* (NOI) on February 15, 2007. The NOI was published in the Federal Register and sent to affected landowners; federal, state, and local government agencies; elected officials; environmental and public interest groups; Native American tribes; local

libraries and newspapers; and other interested parties (collectively referred to as the environmental mailing list). We also conducted a public scoping meeting in Indiantown, Florida and a public site visit on March 7, 2007. A transcript of the scoping meeting and all written comments provided at the meeting as well as all comments provided in response to the NOI have been entered into the public record for the Project. The NOI provided a summary of the proposed Project; outlined the NEPA-required environmental review process; provided a list of the then identified environmental issues; and requested comments on the scope of the analysis for the EIS.

On March 7, 2007, the FERC conducted a public site visit and scoping meeting in Indiantown, Florida for the public to learn more about the proposed Project and provide comments on environmental issues to be addressed in this EIS. A transcript of the scoping meeting and all written comments received before and after the scoping meeting are part of the public record for the Project and available on the FERC website (<http://www.ferc.gov>). Excluding representatives of FGS and the FERC, about 20 people attended the public scoping meeting for the Project and we received verbal statements from seven individuals. During the Pre-filing and scoping periods for the Project, we received five written comment letters from members of the general public and federal and state resource agencies.

In addition to the public notice and scoping process discussed above, the FERC consulted with other key federal and state agencies, including the EPA, COE, FWS, and FDEP to identify issues that should be addressed in this EIS. This agency consultation included participation in interagency meetings on March 8, 2007 and December 6, 2007 to discuss the Project and its associated environmental review process.

In response to our notice, public site visits, and scoping meeting, we received comments from landowners, concerned citizens, public officials, and government agencies regarding the Project. These comments expressed concerns about Project effects on wetlands, threatened and endangered species, vegetation, water resources, waste management, land use, visual resources, socioeconomics, air quality, noise, and public safety. All substantive comments received are addressed in the appropriate sections of this EIS.