

SA7 - Long Island Sound LNG Task Force

200701235024 Received FERC OSEC 01/23/2007 01:18:00 PM Docket# PF05-4-000



LONG ISLAND SOUND LNG TASK FORCE RESPONSE TO FERC'S DRAFT ENVIRONMENTAL IMPACT STATEMENT

JANUARY 23, 2007

TASK FORCE MEMBERS

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Senator Andrea Stillman, Vice-Chair
Ms. Julie Belaga
Public Safety Commissioner Leonard Boyle
Ms. Sue Eckert
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TASK FORCE REPORT

ESTABLISHMENT OF TASK FORCE:

On August 5, 2005, Governor Rell issued Executive Order 9 in response to the proposal by Broadwater Energy LLC, ("Broadwater Project"), to construct and operate a floating storage and regasification unit (FSRU) for liquefied natural gas (LNG) in Long Island Sound.

The Executive Order established a task force to monitor the proposal and to:

- (a) Analyze the environmental, public health, safety, industrialization, economic and homeland security implications of the proposal on the State and collaborate with the appropriate state agencies; and
- (b) Manage the submission of testimony to each regulatory proceeding or body on the proposal conducted by any federal agency or the State of New York. Such testimony shall include recommendations for the safety zones surrounding such unit and for an emergency response plan; and
- c) Discuss alternatives to get more liquefied natural gas to the region.

The Executive Order specified the task force's membership, which includes (a) three members appointed by the governor; (b) four members appointed by legislative leaders; and (c) the commissioners of Environmental Protection, Public Health, Transportation, Agriculture, Public Safety and Homeland Security and Emergency Management, or their designees. The governor's appointees are (a) a resident of a municipality located on Long Island Sound, (b) a member of a nonprofit organization whose primary purpose is protection of the Long Island Sound estuary; and (c) a representative of an environmental nonprofit organization concerned with the preservation, restoration and conservation of environmental resources. The president Pro Tempore of the Senate must appoint a commissioner of the Department of Public Utility Control and the House speaker must appoint a person experienced in the field of natural gas supply and demand and the siting of liquefied natural gas facilities. The minority leaders of the Senate and House must appoint a state resident who has expressed an interest in public service and a resident of a municipality located on Long Island Sound, respectively. Under the order, the governor appoints the chair of the task force from among its members.

On March 28, 2006, this Task Force issued an Interim Report regarding the proposal by Broadwater Energy LLC. In accordance with Governor Rell's Executive Order, the Task Force examined a number of factors and researched a number of issues including a full understanding of the LNG process, the federal regulatory process for siting of the LNG facilities as well as the different impacts the project may have upon Connecticut, its economy and its residents. The various issues examined by the Task Force were very complex and had multiple levels of analysis. The Task Force had to deal with

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environmental, safety, energy and terrorism issues, as well as jurisdictional, national policy, interstate and intrastate issues. This Task Force recognizes that each of the above issues by itself, justifies a separate analysis by the Task Force. The Task Force summarized the above findings in its Interim Report of March 23, 2006. (the document can be found on the Task Force web site at <http://www.ctlng.state.ct.us/>).

This report is a direct response to FERC's Draft Environmental Impact Statement (DEIS) dated November 23, 2006, requiring a response by January 23, 2007. In reviewing the DEIS, the Task Force reviewed the following significant reports filed with this application: 1) The pre-filing application by Broadwater dated June of 2005¹; 2) Broadwater's filing of its official application requesting the siting approval for the FSRU.; and 3) United States Coast Guard's Safety and Security analysis dated September 23, 2006. In addition, the Task Force reviewed other documents, which documents are described within this report. This report will only focus on the issues or conclusions raised by the DEIS. It is still anticipated that at some point, after all the information has been collected regarding the Broadwater Project and all of the appropriate agencies have made their official comments and this Task Force has had the opportunity to review all of the relevant evidence and reports, the Task Force will issue its final report on the Broadwater Project, in accordance with Governor Rell's Executive Order.

This report will limit its analysis of the Broadwater Project to those concerns and issues raised by the DEIS and whether there is an agreement or disagreement with the proposed conclusions of the environmental issues or if further analysis will be required by either FERC or by the Broadwater Project.

In order to understand the magnitude of this project, as well as the various effects this project may have on different interests, one needs to understand the energy issues across the country and how they relate to the energy needs here in Connecticut. It is the energy issues which are the catalyst for the development of a LNG market and the Broadwater Project concept. In addition, one must understand the LNG market, the shipping process, the delivery process and the overall gas and electric industries in order to understand and evaluate this project at the various levels.

FERC is obligated, by law, to perform a detailed DEIS Report which is both accurate and complete. This DEIS report must examine both the safety and security of the Broadwater Project as well as examine the environmental effect the Broadwater Project will have on the Long Island Sound. The complexity of the DEIS Report, the critical importance of the DEIS Report and the obligation that FERC has to fairly examine the environmental effect the Broadwater Project requires the DEIS Report to be scrutinized and precise. This Task Force understands that with limited time granted to it by FERC to review the DEIS Report, the Task Force is unfairly burdened. Therefore, on December 9, 2006 this Task Force requested from FERC additional time until March 23, 2007, to more fully review their DEIS report, which request was denied.² In addition,

¹ The Broadwater preliminary application actually came in various submissions starting on May 2005 and continuing for several months thereafter.

² The Task Force, has on two occasions, has requested additional time to review the DEIS.

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this lack of time required to perform a very detailed analysis coupled with the limited resources available to the Task Force, certain areas of this report may contain gaps. The goal of this report is to raise potential issues to FERC in order for FERC to perform a complete investigation of the safety and security of the Broadwater Project as well as a complete investigation into the environmental impacts of the Broadwater Project. This Task Force will continue to ensure that the State of Connecticut and its residents are fully protected, as per Governor Rell's Executive Order.

BROADWATER LNG PROJECT:

Broadwater's basic project concept has remained virtually unchanged from the description in the Task Force description in its Interim Report, however, there are a number of details and other important factors which have emerged, which are slightly different the Task Force Interim Report of March 2006. Therefore, the Task Force decided to describe the project again in its entirety.

The Broadwater project LNG project is a joint venture between TCPL USA LNG, Inc. (a subsidiary of TransCanada Corporation) and Shell Broadwater Holdings LLC (a subsidiary of Shell Oil Company). The applicant for the pipeline that connects the project to the Iroquois Gas Transmission Line is Broadwater Pipeline LLC, which is owned by Broadwater Energy LLC.³ The project concept is to construct and operate a marine LNG terminal and sub sea pipeline for the importation, storage, regasification and transportation of natural gas primarily into the State of New York. The Broadwater LNG Project (the Project) terminal will be located in the Long Island Sound (LIS) approximately 9 miles off the shore of Long Island in New York waters and approximately 11 miles off of the Connecticut shoreline.⁴

The Broadwater LNG terminal will be a Floating Storage Regasification Unit (FSRU). The Broadwater FSRU is proposed to be approximately 1,215 feet long, 200 feet wide and over 100 feet high. The FSRU draft will be approximately 40 feet. The FSRU will hold about 8 billion cubic feet (bcf) of LNG with vaporization capabilities of 1bcf per day and up to 1.25 bcf at peak times. The FSRU is proposed to have a storage holding capacity of approximately 350,000 cubic meters (for reference; a cubic meter is about 100 cubic feet). The FSRU will be supplied by LNG Carriers with storage capacity ranging from 125,000 cubic meters to 250,000 cubic meters. These supply tankers would arrive at a rate of two to three carriers per week.

LNG Carriers would transit from the Atlantic Ocean to either the Point Judith Pilot Station (northeast of Block Island) or the Montauk Pilot Station (southwest of Block Island). From the Point Judith Pilot Station, carriers would transit Block Island Sound north of Block Island, head generally west to enter Long Island Sound at its eastern end (an area known as the Race), and then proceed to the FSRU. From the Montauk Pilot

³ FREC Draft Environmental Impact, Statement Broadwater LNG Project November 2006

⁴ FREC Draft Environmental Impact, Statement Broadwater LNG Project November 2006

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Station, LNG Carriers would head generally northwest to approach the Race, then proceed to the FSRU.⁵

The FSRU will have regasification capabilities on board. As the LNG is heated, it will then be pressurized and nitrogen will be added to it in order to make its energy content compatible with the gas already in the pipeline system. The LNG will then be pressured into the connection pipeline to the Iroquois Gas Transmission System (IGTS)

The FSRU will be anchored to the LIS by a tethering system described as a yoke mooring system (YMS) that allows the FSRU to weathervane around the mooring tower base. The YMS will be secured to the LIS floor by a tower structure, with a span of it's base to be approximately 13,180 square feet and anchored to the LIS basin at each of four corners.

A thirty inch diameter pipe will be installed from the marine terminal and travel west, connecting to the Iroquois Gas Terminal System (IGTS) approximately twenty-two miles from the FSRU. The connection pipe will be laid in a new sub sea natural gas pipeline floor in a trench, which will be dug into the sea floor five foot depth and is proposed to be twenty-five feet in width.

The DEIS addresses the potential environmental effects of the construction and operation of the following LNG and natural gas pipeline facilities:

- a double-hulled FSRU approximately 1,215 feet long and 200 feet wide, with a closed-loop shell-and-tube vaporization system and a total storage capacity of 350,000 cubic meters (approximately 8 billion cubic feet);
- a berthing facility at the FSRU for receiving LNG Carriers with capacities up to 250,000 cubic meters;
- a YMS embedded in the seafloor to moor the FSRU;
- approximately 2 to 3 LNG Carriers per week that would call at the FSRU;
- LNG Carriers would transit through waters subject to federal jurisdiction as well as waters under the jurisdiction of the State of New York, and in some cases, may transit waters under the jurisdiction of the States of Rhode Island and Connecticut;
- approximately 21.7 miles of 30-inch-diameter natural gas pipeline, a pig launcher and receiver facility, and a meter station at the interconnect with the IOTS pipeline; and
- onshore facilities at either Greenport or Port Jefferson, New York., including administrative offices, a warehouse, guardhouse, and an existing commercial pier. Broadwater proposes to construct the Project in two phases. The first phase would include installation of the sub sea pipeline between October, 2009 and April, 2010. The

⁵ PREC Draft Environmental Impact, Statement Broadwater LNG Project November 2006

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second phase would include installation of the YMS, hookup of the FSRU, and connection of the project components between September and December, 2010. Broadwater anticipates that the Project would be in service by the end of December, 2010.⁶

THE DEIS REPORT

The FERC DEIS report is an evaluation of the required security and safety requirements as briefed by the Coast Guard to determine any possible environmental impacts as a result of the Broadwater Project. The report is required by the National Environmental Policy Act (NEPA). The DEIS is a part of the many required reports for the Broadwater Project. The Coast Guard has already assessed potential risks to navigation safety and port security associated with the proposed Broadwater Project.⁷ The Coast Guard's safety and security assessment is documented in the Captain of the Port Long Island Sound's Waterways Suitability Report (WSR). The DEIS includes an analysis of the environmental impacts related to the Coast Guard's Letter of Recommendation (LOR) regarding the suitability of the involved waterways for LNG Carrier operations. The Coast Guard Captain of the Port Long Island Sound will issue an LOR to Broadwater Energy and the appropriate federal, state and local agencies, in accordance with 33 C.F.R. § 127.009. The LOR, which will be based on the Coast Guard's WSR, is an official determination regarding the suitability or unsuitability of Long Island Sound to support the proposed FSRU and associated LNG Carrier traffic. The Coast Guard intends to adopt all of the suggestions of the DEIS, when practicable, which is being prepared by FERC to serve as the NEPA analysis for the LOR. The LOR will not be issued until after the NEPA process has been completed.

In addition to the safety and security as well as the environmental analysis, the DEIS also evaluates alternatives to the proposal, including alternative energy sources, system alternatives, alternative sites for the LNG import terminal, alternative designs, pipeline alternatives, and alternatives to the Coast Guard Letter Of Recommendation (LOR) action.

DEIS RESULTS:

The staff at FERC, through the DEIS process, has determined that after some modification to mitigate certain environmental concerns as well as some modifications to mitigate the safety and security concerns and some modification to some environmental concerns, the Broadwater Project would have a limited adverse impact on the Long Island Sound and the Broadwater Project is suitable for operation on the Long Island Sound. Therefore, absent a showing of why FERC should change its conclusions in the DEIS, a final EIS will be issued by FERC, with a similar conclusion within 3 to 4 months.⁸

⁶ FERC Draft Environmental Impact, Statement Broadwater LNG Project November 2006

⁷ US Coast Guard Report can be found at <http://www.uscg.mil/d1/units/seclis/broadwater/wsrpt/WSR%20Master%20Final.pdf>

⁸ Informal Hearing held January 16, 2007, at the East Haven Town Hall

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PROCEDURE USED BY THE TASK FORCE TO RESPOND TO THE FERC DEIS

The Task Force read and analyzed FERC's DEIS Report, the US Coast Guard Safety and Security Report for the Letter of Recommendation and the US Coast Guard Waterways Suitability Report (WSR). The Task Force then reviewed its Interim Report of March, 2006 to review the concerns raised in that report. In addition to the above, the Task Force held hearing and listened to testimony from experts in environmental sciences, geology and on the environment in the Long Island Sound generally. Also, the Task Force reviewed the Congressional Research Service report dated April, 2005, "Liquefied Natural Gas (LNG) Import Terminals: Siting, Safety and Regulation"⁹. Further, the Task Force on January 16, 2006, met with representatives from FERC to discuss various issues regarding the Broadwater Project and it's the environmental impact to the Long Island Sound. Moreover, additional letters were received by the Task Force concerning the possible environmental effects the Broadwater Project may have on the Long Island Sound. The Task Force also received outside information regarding alternative energy sources.

STRUCTURE OF THE TASK FORCE REPORT:

This report examines FERC's DEIS only. The purpose of this report is to advise FERC as to the Task Force's finding if the DEIS can support its conclusions and/or additional recommendation to the DEIS may be required. FERC has several options after reviewing the DEIS: 1) to take a position of no action and request further information; 2) to approve the DEIS; or 3) deny the DEIS. Therefore, the Task Force's report is separated into two parts: Part I of the report recommends that FERC takes no action on the DEIS and postpones further analysis until more critical information can be made available; Part II of this report makes the assumption that FERC ignores the recommendation by the Task Force in Part I and, therefore, the Task Force makes certain recommendations to FERC regarding additional safeguards and/or procedures that FERC should add to the DEIS and carry those recommendations to any eventual approval.

PHASE I:

ENERGY NEEDS IN THE STATE OF CONNECTICUT:

The FERC DEIS report concludes that there is a natural gas shortage in the Northeast including the New York Market. Further, that this shortage is expected to increase over the next 20 years as more electrical generation plants require natural gas as its fuel.

⁹ Which report was not referenced by either the Coast Guard or FERC

SA7-1

The three options listed by the Task Force do not accurately reflect the full range of FERC's options for completing our environmental review process. As a part of that review process for a major project, a federal agency issues a draft EIS for public comment and then considers the written and verbal comments received regarding the draft EIS. At that point, the agency may request additional information from the applicant to be able to respond to public comments. The next step is to prepare a final EIS, which includes responses to the comments received and the appropriate revisions to the EIS; the revisions may be in response to comments or to provide updated or additional information received after the draft EIS was issued. The final EIS is then distributed to the public and forwarded to FERC's Commissioners. The final EIS and the entire record for the Project are used by the Commissioners to determine whether or not to authorize the Project with or without the recommendations provided by FERC staff in the final EIS.

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“In an environment of increasing natural gas consumption, LNG imports from overseas would provide a needed diversification to currently available natural gas delivered via pipeline from the Gulf of Mexico and Canada. Gas deliveries from those areas account for approximately 85 percent of the gas consumed in the New York City, Long Island, and Connecticut market; production from those areas is projected to decline over the next 20 years. Conversely, energy consumption projections indicate that there will be an increasing need for natural gas in the region, both in the near term and farther into the future. In the past 10 years, electric power generating facilities in the region have increased output by about 5.6 percent per year, and the annual consumption of natural gas by those facilities increased by 100 billion cubic feet. The use of natural gas for electrical generation, rather than coal or oil, is directed toward meeting regional air quality objectives.

In addition, natural gas transmission pipelines originating in the Gulf of Mexico and western Canada terminate in New York and New England. Great distances between natural gas sources and their markets, as is the case with the New York City, Long Island and Connecticut region, increase the costs of gas while decreasing the reliability of the supply.”¹⁰

In the Interim Report, the Task Force came to the same conclusion regarding the need for natural gas:

“Based on the above, it is clear that there is a real need for additional gas supplies on a year-round basis in the Northeast and specifically in Connecticut. DPUC, ISO New England (an independent operating organization in charge of New England’s electric grid system) and FERC determined that to achieve the goal of more natural gas to this area, new infrastructure must be built. There are limited methods to obtain more natural gas in Connecticut. Additional pipelines may need to be constructed; or additional LNG storage terminals need to be sited; or new re-gasification facilities need to be created; or the capacity of existing re-gasification facilities need to be increased.”¹¹

SA7-2

The Task Force does recognize that FERC’s report, on the energy issues, failed to address the issue of the ability of electric generation companies’ power to sell off their gas reserves in raising gas market price in order to achieve a significant profit. This “corporate market speculation” by generation facilities clearly results in the decrease of natural gas being available to this region resulting in driving the price of natural gas upward thereby increasing the overall cost of energy. There are regulatory actions required by FERC to alleviate this problem.

¹⁰ FERC Draft Environmental Impact, Statement Broadwater LNG Project November 2006 p. ES-2

¹¹ Interim Report of the Long Island Sound Task Force, March 28, 2006

SA7-2 Consistent with current law, generating facilities in Connecticut can choose, as bounded by their obligation to meet electric generation requirements, to sell their gas reserves or to burn their gas to generate electricity. This arbitrage tends to make the price of power derived from natural gas converge with the price of power derived from electrical generation. The merits of this policy or potential policy alterations are beyond the scope of our environmental review of the Broadwater Project and the final EIS.

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SA7-3 [The Task Force questions FERC's thoroughness in not addressing this issue when discussing the cost of energy since the above practice is not only common in the generation trade, but also directly effects the costs and availability of energy in the country, and, in particular, in the Northeast. FERC has the power to promulgate a regulatory scheme to prevent the sale of natural gas on a speculative market to the detriment of energy consumers.

SA7-4 [In addition, FERC's analysis of the Canaport project in Canada seems to be in opposition to statements made by those people closely associated with the Canaport project. The Canaport project is a viable project which will provide significant amount of LNG to the northeast and which will result in more LNG into the marketplace. The Task Force believes Canaport is a viable alternative to the Broadwater Project for a number of reasons. First, most of the infrastructure is already in place; and second the small amounts of the improvements requested by Canaport have little or virtually no opposition or environmental impact. Second, and most important, Canaport will be transmitting natural gas in the northeast by 2008 whereas the Broadwater Project will not be available until at least 2012, at the earliest.

In fact, Canaport informed FERC that FERC's characterization of the Canaport Project was inaccurate.¹² Parts of that letter are as follows:

SA7-5 [..Repsol would like to clarify some of the statements made in the DEIS regarding the ability of the Canaport LNG terminal ...to serve gas markets in the New York and New England area. ..Repsol hereby comments to clarify certain descriptions of the Canaport LNG project in the Broadwater DEIS. First and foremost, Section 4.3.2 of the DEIS states on page 4-19 that the Maritime & Northeast Phase IV pipeline would transport 0.4 bcf of natural gas from the Canaport LNG terminal. While the Maritimes Phase IV Project will result in an increase in capacity on the Maritimes pipeline of 0.4 bcf, the fact is that Repsol has contracted to transport 0.73 bcf of natural gas from the Canaport LNG terminal on Maritimes, as shown in the Amendment to the Maritimes & Northeast Phase IV Project (CPO6-335 et al) that was filed with the Commission on September 8, 2006. ...The important fact to be considered in the Broadwater analysis is that Repsol will be able to deliver at least 0.73bcf of gas source from Canaport LNG into the northeastern United States pipeline grid with access to all the markets served by that grid. It is also important to note that the Canaport LNG terminal can be expanded to provide additional incremental supply that can access the northeastern US markets, including New England and New York.¹³

¹² A letter from Repsol Energy North America Corporation dated January 9,2007 to Magalie R. Salsa Sect. of FERC. Repsol is the representative of Canaport LNG.

¹³ A letter from Repsol Energy North America Corporation dated January 9,2007 to Magalie R. Salsa Sect. of FERC.

SA7-3 Please see our response to comment SA7-2

SA7-4 Section 4.3.2 of the final EIS has been revised to reflect the recent increase in sendout capacity and subscribed gas for the Maritimes & Northeast pipeline from the Canaport LNG Terminal. As stated in that section, however, transport of natural gas from the Canaport terminal to the target market would require a substantial amount of new pipeline construction, including modifications to the IGTS pipeline across the Sound. Therefore, the environmental impacts of transporting natural gas from the Canaport terminal to the target market are in fact greater than those of the proposed Broadwater Project.

SA7-5 Please see our response to comment SA7-4. The Maritimes expansion will allow for the transmission of 0.4 bcf of natural gas over and above existing transmission capacity. If some portion of that gas is not consumed in Canada or New England, it could enter the U.S. pipeline grid and offset demand in other U.S. markets. Indeed, the Tennessee pipeline has announced plans to upgrade their systems to accommodate up to 0.2 bcf from Maritimes. However, because the New York City and Long Island markets are currently limited by transmission and storage capacity, that gas could not be used to offset demand in New York City and Long Island without transmission upgrades. As described in the final EIS, the environmental impacts of the required transmission upgrades are greater than those associated with the proposed Broadwater Project.

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SA7-6 [As a result, the Canaport project seems to be a very viable project which can produce a large gas supply in the northeast and even to the New York market. FERC, as part of the siting process, is required to look at other alternatives such as Canaport. The Task Force maintains that further investigation into the Canaport project is legally required by FERC before it can act on the DEIS. If the Canaport alternative gas source will have a large positive impact on the gas supplies in the northeast including New York, then the Broadwater Project may not be necessary. As a result, until that research is completed, FERC should postpone the DEIS review. At the very least, FERC needs to address the comments by Canaport, as addressed in their letter to FERC of January 9, 2007.

SA7-7 [In addition, FERC needs to supplement their DEIS by adding the effect of the "Neptune Project" in Massachusetts as well as the "Gateway Project" in Massachusetts. These two LNG off shore projects received Massachusetts State approval in early January and the project's intent is to deliver natural gas in the Northeast. The effect upon the gas supply in the northeast as a result of these 2 new locations have not been reviewed by FERC and such review should be done prior to any further action on the DEIS. Since the projects have a direct bearing on the ability to have the required gas supply in the Northeast.

SA7-8 [Finally, under the alternative energy section, the Task Force wonders why FERC didn't explore a "Neptune" type of project off the Atlantic coast to serve New York and New Jersey. The open Atlantic waters are not much different than the open waters of Massachusetts and clearly a pipeline in that area would connect directly to the high end user market. The Task Force believes that such an analysis should be done by FERC before FERC can rule on the DEIS.

THE TASK FORCE RECOMMENDS:

SA7-9 [The Task Force recommends that FERC postpone their decision on the DEIS until a complete analysis of scope and effect of the Canaport, Neptune and Northeast projects are analyzed.

DEIS REPORT REGARDING SAFETY AND SECURITY:

In reviewing the issue of Safety and Security, it is important to remember the various siting roles in the Broadwater application process. As stated in the Interim Report:

The Coast Guard is the lead federal agency for U.S. maritime security, including port security. The Coast Guard is responsible for inspecting, tracking and boarding commercial ships entering U.S. waters. The jurisdiction for Long Island Sound (LIS) is the US Coast Guard Command based in New Haven, Connecticut, currently under the direction of Port Captain Peter Boynton. The

SA7-6 Please see our response to comment SA7-4.

SA7-7 Both the Neptune and Northeast Gateway Projects were addressed in Section 4.3.2 of the draft EIS. At the time the draft EIS was issued, both projects were being reviewed by the Coast Guard, the State of Massachusetts, and other regulatory review agencies. Both projects have since been approved. Section 4.3.2 of the final EIS has been revised accordingly.

If a substantial volume of new natural gas is made available through these projects, and if the demand for natural gas in the New England Market does not increase in response, the supply of natural gas in the Connecticut market could be increased through displacement. Regardless of the volume of gas displaced, however, transport of that volume of gas from Connecticut to the New York City and Long Island markets would require modifications to the IGTS pipeline system (construction of a pipeline loop across the Sound and/or additional onshore or offshore compression) to accommodate the increased volume.

SA7-8 Section 4.4.1 of the final EIS considers LNG terminal type and siting alternatives, including the use of a "Neptune-type" SRV located in the Atlantic Ocean offshore of Long Island. We concluded that an SRV-based alternative would be unable to provide storage and would result in greater environmental impacts than those associated with the proposed Project (see Table 4.4-1).

SA7-9 Section 4.3.2 of the final EIS provides the complete analysis of the potential scope and effect of the Canaport, Neptune, and Northeast Gateway Projects.

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Coast Guard, Sector Long Island Sound, has jurisdiction over all activities in Connecticut and Federal waters of the LIS both in New York and in Connecticut and in various other waterways and rivers. The area not only includes the LIS but also includes the exposed Atlantic coast south of Long Island extending 200 miles out to sea. There are 500 Coast Guard men and women in Coast Guard Sector Long Island Sound, including a command staff, eight rescue stations, four cutters, two aids to navigation teams and a field inspection office.

In the siting of the LNG project, the Coast Guard's role is to analyze safety and security of the project. Although FERC is the lead agency, there is an agreement between FERC and the Coast Guard regarding the siting permit process of the Broadwater project. The Coast Guard's role is not to eliminate risk; it mitigates risk to acceptable standards. In order to analyze each risk the Coast Guard breaks that risk down to three elements: threat, vulnerability and consequence. The Coast Guard's role is outlined in Navigation and Information Circular 5-05.¹⁴

In light of the above, the Coast Guard has issued a report entitled "U.S. Coast Guard Captain Of The Port Long Island Sound Waterways Suitability Report For The Proposed Broadwater Liquefied Natural Gas Facility", ("WSR") and subsequent to the DEIS report, the Coast Guard will then issue a Letter of Recommendation of the Broadwater Project to FERC, which will contain any recommendations in the DEIS Report.

In reviewing the DEIS report, the Task Force has a number concerns about the facts, foundations and even the conclusions reached by FERC in the DEIS Report concerning the issue of safety and security. In addition, the Task Force makes several recommendations to the DEIS Report based upon various issues raised in both the WSR and DEIS Report. (Notwithstanding the above, the Task Force does agree with the DEIS Report on the recommendations to the WSR and those recommendations should be required as part of the Coast Guard's Final Letter of Recommendation.¹⁵ However, there are additional recommendations this Task Force would add to the WSR and the DEIS Report. These additional recommendations are discussed in Part II of this report). The Task Force recommends that the decision on the DEIS be postponed and issues sent back to the Broadwater Project with a list of outstanding concerns including the lack of information to complete the proper DEIS analysis. The Task Force reaches that conclusion in the following manner:

SA7-10

SA7-10 Additional information is provided throughout the final EIS on the specific proposal by Broadwater, as well as additional information from the scientific community to describe potential impacts and appropriate mitigation.

¹⁴ Interim Report of the Long Island Sound Task force march 28, 2006 p. 15

¹⁵ The Task Force at this time disagrees with issuance of the issuing a Letter of Recommendation for reasons stated herein.

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SAFETY AND SECURITY CONCERNS:

The Task Force listened to a lot of testimony from Connecticut residents concerning the safety and security of the Broadwater Project. From the inception of the Broadwater Project, the Task Force has focused on the issues of safety and security. In particular, the Task Force wanted to ensure that every effort will be enacted to mitigate or eliminate all risks associated with the Broadwater Project and keep Connecticut residents safe. Further, the issue of safety and security has a cost component. The Task Force takes the strong opinion that any cost issue regarding safety and security, including the cost of any emergency plan, will be well funded by the Broadwater Project. In order to more fully understand the safety and security issue the Task Force examined various aspects of the LNG process.

CLEARLY THE EFFECTS OF A LNG SPILL ON WATER ARE DIFFERENT THAN THE EFFECTS OF A LNG SPILL ON LAND

The basis of the WSR and FERC's DEIS rely upon certain findings in a report from ABSG Consulting Inc., entitled: "Consequence Assessment Methods for Incidents Involving Releases from Liquefied Natural Gas Carriers". Said study was conducted at the request of the Federal Energy Regulatory Commission under contract number FERC04C40196; May 13, 2004 ("ABS Report"). The Task Force investigated the ABS Report further and found a review of that report by Congressional Research Service report dated April, 2005, entitled "Liquefied Natural Gas (LNG) Import Terminals: Siting, Safety and Regulation" ("CRS Report"). This CRS Report examined the findings and conclusions of the ABS Report and makes appropriate comments regarding said report.

THE FINDINGS AND PRINCIPALS OF THE CRS REPORT SHOULD BE APPLIED TO THE BROADWATER PROJECT:

The CRS Report reviewed and examined various issues concerning LNG facilities. Further, the CRS report examines a variety of issues which should have been addressed in the DEIS. A few of the issues raised by that report are as follows:

- 1) The CRS Report finds that pool fires, especially on the water, is the most dangerous LNG hazard.¹⁶ In addition, the CRS Report, in reviewing the ABS Report finds:
- 2) [T]he ABS Consulting study released by FERC in May 2004, which reviewed existing LNG hazard models, concluded that:

¹⁶ Congressional Research Service report dated April 2005, "Liquefied Natural Gas (LNG) Import Terminals: Siting, Safety and Regulation.

SA7-11

The modeling approach used by FERC and the Coast Guard employed during Project review included the best available methods and in areas of uncertainty, used conservative assumptions. Our safety assessments also include the fact that Broadwater's selection of an offshore location, 9 miles from the Long Island shoreline and 11 miles from the Connecticut shoreline, provides a large safety buffer in excess of any inherent uncertainty in modeling potential LNG spills.

The safety assessment reported in the Coast Guard's WSR (Appendix C of the final EIS) included modeling in accordance with the ABS study; however, that work was accomplished as a check against the modeling results obtained by Det Norske Veritas with a proprietary safety assessment model and to ensure conservative results.

Also, the GAO Report (GAO 2007) presented a survey of experts who work in areas related to LNG risk, hazards, and consequence modeling. The report determined that the primary hazard to the public would be heat from a fire. A total of 11 of 15 experts were of the opinion that current methods for estimating LNG fire heat hazard distances are "about right" or too conservative. And, regarding the worst-case with cascading tank scenarios, 12 of 16 experts agreed that the fire or heat hazard distance would not increase by more than 20 to 30 percent over the base case of a single-tank failure.

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- No release models are available that take into account the true structure of an LNG carrier....
- No pool spread models are available that account for wave action or currents.
- Relatively few experimental data are available for validation of models involving LNG spills on water, and there are no data available for spills as large as the spills considered in this study.¹⁷

3) In addition to the above, the CRS Report recognizes FERC's position not to site LNG facilities for worst case scenarios in light of the lack of reliable models:

Notwithstanding limitations in current LNG hazard modeling techniques, FERC has stated its intention to use the methods recommended by ABS to calculate vapor and thermal hazards for each LNG terminal application it reviews. In its Freeport LNG siting review, FERC acknowledged that "opportunity exists to refine assumptions and provide a more realistic assessment of the 'worst case' hazards." But the Commission also disagreed with the planning implications of "worst case" scenarios put forth by LNG terminal opponents.¹⁸

4) Moreover, it is abundantly clear from the CRS Report that additional studies are necessary to achieve the required safety regulations:

The ABS report states, for example, that "additional research will need to be performed to develop more refined models, and additional large-scale spill tests would be useful for providing better data for validation of models."¹⁰⁸ The Sandia study similarly concludes that "obtaining experimental data for large LNG spills over water would provide needed validation and help reduce modeling uncertainty."¹⁰⁹ Physical testing (as opposed to computer simulations) of impacts and explosions on LNG tanker hulls by the USCG could also fill important gaps in engineering knowledge about potential effects of terrorist attacks.¹⁹

5) The CRS Report recognizes FERC's responsibility to protect the citizens and residents of the United States. This balancing test is spelled out in the CRS:

A key question for Congress, with respect to the siting of new LNG terminals, is whether the regulation of these terminals appropriately balances the risk to public safety with the need for new natural gas supplies. On one hand, some may view current federal LNG siting requirements and processes as sufficient. Holders of this view would continue to rely on the judgment of LNG experts in federal agencies and standards committees to appropriately balance

¹⁷ Congressional Research Service report dated April 2005, "Liquefied Natural Gas (LNG) Import Terminals: Siting, Safety and Regulation CRS-19.

¹⁸ Congressional Research Service report dated April 2005, "Liquefied Natural Gas (LNG) Import Terminals: Siting, Safety and Regulation CRS-19.

¹⁹ Congressional Research Service report dated April 2005, "Liquefied Natural Gas (LNG) Import Terminals: Siting, Safety and Regulation CRS-24-25.

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public safety with public needs. While there have been some concerns about regulatory jurisdiction, marine safety and hazard models, some may believe that the responsible government agencies are actively and cooperatively addressing these concerns. On the other hand, policy makers may believe that some aspects of new LNG terminals do pose excessive public risks, or that there is still too much uncertainty about key risks to make final conclusions about public safety.²⁰

Although the issues and “thought questions” in the CRS Report were raised with Congress in mind, the same “thought provoking” question, and safety concerns are now more aptly applied to FERC’s DEIS. The CRS Report delineates several immediate safeguards which can be implemented by FERC in analyzing the Broadwater Project in order to accurately balance the need for LNG against the need to protect the public. For example:

[P]rovisions lowering allowable radiation thresholds for thermal exclusion zones, would effectively increase the size of those zones. Other provisions could mandate tanker design standards, such as improved insulation and fire control systems, to reduce the hazard from an LNG fire.²¹

The CRS Report is critical to the evaluation of the safety and security of the Broadwater Project and is critical to point out there are no known studies of a large LNG spill on open waters. Many of the concerns raised by the CRS Report are issues which FERC takes for granted as being resolved. FERC should require extensive studies by the Broadwater Project to determine all unresolved issues regarding the impact of a LNG spill in open waters. The consequences of a large LNG spill in open waters are an unknown. As a result, any discussion in the DEIS about safety and security zones are not based upon proven scientific evidence but on conjecture and the need to approve energy projects. As a result, the federal mandate on FERC to protect the public interest cannot be guaranteed when the consequences of a large LNG spill on water is not known. Therefore, Connecticut residents are not being fully protected.

SA7-12

CRS REPORT MAKES IT CLEAR THAT CONSEQUENCES OF A LNG SPILL IN OPEN WATER ARE TRULY NOT KNOWN; ESPECIALLY IN THE BROADWATER CASE

The CRS Report finds that the full extent of the consequences of a spill in the waters of the Long Island Sound is not known. This fact cannot be anymore clear in the CRS report and cannot be anymore important than with the Broadwater Project. Therefore, FERC must use caution when it analyzes this project and claims to provide adequate safety and security zones.

²⁰ Congressional Research Service report dated April 2005, “Liquefied Natural Gas (LNG) Import Terminals: Siting, Safety and Regulation CRS-22.

²¹ Congressional Research Service report dated April 2005, “Liquefied Natural Gas (LNG) Import Terminals: Siting, Safety and Regulation CRS-24.

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Risks posed by the FSRU and the associated LNG carriers were assessed, including the risk of a terrorist attack. The analysis conducted was a Project-specific safety assessment. The Coast Guard reported in its WSR (Appendix C of the final EIS) that, with specific mitigation measures in place, the risks of operation of the FSRU and the associated carrier could be managed. In addition, as noted in the EIS, FERC and the Coast Guard did address issues associated with a worst-case spill of LNG (see Section 3.10.3.2 of the EIS regarding the FSRU, Section 3.10.4.3 of the EIS regarding LNG carriers, and Section 1.4.3 of the WSR).

The modeling approach used by FERC and the Coast Guard during Project review included the best available methods and in areas of uncertainty, used conservative assumptions

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As shown above, there are no exact studies or models that can determine the effect of wind, wave action or current on a LNG spill. In addition, the effect of large spills of LNG also has not been identified. The Broadwater Project proposes to utilize the largest LNG Carrier in the world (250,000 cm³) as well as the largest floating LNG storage facility (FSRU 350,000 cm³) in the world. Clearly, there are no studies that even come close to determining the effect of either the proposed Broadwater Project LNG Carrier or the FRSU were to experience a large LNG spill on open waters. The above coupled with the CRS Report that finds some agencies, such as the Department of Homeland Security,²² believe that an LNG facility must be considered a potential terrorist target gives rise to concern of protecting against the worst case scenario:

[T]he Department of Homeland Security (DHS) specifically identified LNG assets among a list of potential terrorist targets in a security alert late in 2003. The DHS also reported that "in early 2001 there was some suspicion of possible associations between stowaways on Algerian flagged LNG tankers arriving in Boston and persons connected with the so-called 'Millennium Plot' to bomb targets in the United States. While these suspicions could not be proved, DHS stated that "the risks associated with LNG shipments are real, and they can never be entirely eliminated." Most recently, the Sandia report concluded that a range of potential terrorist attacks on LNG tankers could be considered "credible and possible," and that the consequences from such attacks could be "severe."²³

As such, significant questions are raised about the ability to protect the residents of the State of Connecticut against the consequences of a large spill since the consequences of such a scenario are unknown. FERC decided to completely ignore issues of a large spill, or even reference the concerns of certain variable such as current, tides and wave action can have on an LNG spill, as delineated in the CRS Report. These are critical questions about various scenarios of an LNG incident which are required to be investigated and analyzed fully in order to provide a proper safety and security analysis and to protect the residents of Connecticut. The Task Force recommends that FERC re-evaluate the DEIS in accordance with those concerns of the CRS Report and in light of planning for all of the possible worst case scenarios.

THE TASK FORCE RECOMMENDS:

SA7-13

The Task Force recommends FERC to postpone the process until all of these questions can be answered and fully analyzed before the final EIS is drafted. These are critical questions which should be answered by FERC and their experts before FERC rules on the DEIS.

SA7-13 The final EIS addresses the issues raised by the Task Force, either in the main body of the EIS or in this Response to Comments appendix.

²² The CRS Report does indicate that the FBI not share the same view.

²³ Congressional Research Service report dated April 2005, "Liquefied Natural Gas (LNG) Import Terminals: Siting, Safety and Regulation CRS-21.

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FERC NEVER REFERENCES THE CRS REPORT

SA7-14 [It is astonishing to this Task Force that FERC never mentioned the CRS Report. FERC has, as part of the Federal Government, an outstanding obligation to U.S. residents to protect them. Clearly, the CRS Report states that the LNG impact scenarios are not well defined or fully understood and that further studies are required in order to ensure the safety and security of all of those who reside near an LNG, especially a water dependent LNG facility. Also, the CRS Report suggests that FERC takes into account many of their concerns including planning for the "worst case scenario". However, FERC refuses to embark upon a "worst case scenario" safety and security EIS evaluation.

While the scenarios evaluated for the FSRU in Section 3.10.3 and for LNG carriers in Section 3.10.4.3 provide guidance on the extent of potential hazards, it should not be assumed that these scenarios are the assured outcome of an FSRU or LNG carrier accident or attack, given the conservatism in each of the models and the level of damage required to yield such large-scale releases. As such, the presented scenarios should not be assumed to represent the evacuation zone for potential incident. Rather they provide guidance in developing the operating restrictions for LNG carrier movements in Rhode Island Sound, Block Island Sound, and Long Island Sound, and in the immediate vicinity of the FSRU. These worst-case scenarios would be used to establish potential impact areas for emergency response and evacuation planning. As with any other fuel or hazardous material, the actual severity of the incident would determine what area needs to be evacuated, if any, rather than a worst-case maximum zone. It is anticipated that the emergency evacuation plans would identify evacuation distances based upon increasing severity of events.²⁴

SA7-15 [The Task Force shares the concern as expressed in the CRS Report and the Federal Government can't continue to turn a blind eye towards this information and approve the Broadwater Project without being accused of shirking its responsibility to the people of Connecticut and New York.

THE WSR AND THE DEIS DETERMINED THAT THE WATERS OF THE STATE OF CONNECTICUT AS WELL AS WELL AS CERTAIN AREAS OF COSTAL CONNECTICUT WILL BE AFFECTED AS A RESULT OF THE BROADWATER PROJECT

SECURITY ZONES:

The WSR clearly indicates that the State waters of Connecticut as well as the costal areas of Connecticut will be affected by the Broadwater project. The Coast Guard, using the Sandia report as the primary authority on a LNG spill, creates three different hazards zones:

²⁴ FERC DEIS November 2006 page 3-228.

SA7-14 Please see our response to comment SA7-11. In addition, as noted in the final EIS, FERC and the Coast Guard did address issues associated with a worst-case spill of LNG (see Section 3.10.3.2 of the final EIS regarding the FSRU, Section 3.10.4.3 of the final EIS regarding LNG carriers, and Section 1.4.3 of the WSR [Appendix C of the final EIS]).

SA7-15 Please see our response to comment SA7-11.

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Zone	Basis
Zone 1	High potential for major injuries or significant damage to structures
Zone 2	Potential for injuries and some property damage
Zone 3	Outer limit where LNG vapor can be ignited

25

The Coast Guard then increased the size of the hazard area as a result of the Broadwater Project having larger vessels with more significant storage capacity. The following is the Coast Guard's recommended Hazard Zones for the Broadwater Project:

Table 1-3: Hazard Zones Broadwater Energy Project

Table 1-3: Hazard Zones Broadwater Energy Project

	Zone 1 (37.5 kW/m ²)		Zone 2 (5 kW/m ²)		Zone 3 (Lower Flammability Limit)	
Sandia	500 m	548 yds	1300 m	1752 yds	3600 m	2.2 miles
Broadwater FSRU		750 yds		2150 yds		4.7 miles
250,000 m ³ LNG Carrier		750 yds		2050 yds		4.3 miles

26

SA7-16

It is assumed that Zone 1 and Zone 2 will never impact the land areas in Connecticut. This analysis is based upon the assumption that the LNG Carrier remains on track and that the assumption of the impact of a LNG spill on water is correct. It is also worth noting that Zone 3 could impact southern portions of New London, including Goshen Point, and southern portions of Waterford bordering Jordan's Cove, should a LNG spill occur.²⁷ As a result, a deviation of the LNG Carrier's course or an error in the analysis of a LNG spill on water could result in Zone 3, Zone 2 or even a Zone 1 impacting the shores of Connecticut. Therefore, the Connecticut shoreline could be impacted, in any manner or degree as a result of an LNG Carrier incident. There is no expert testimony to discredit the above analysis. This analysis is based upon the blind faith that the original numbers used to determine a security zone in the Sandia report can be extrapolated to take into account both a large LNG spill and a large LNG spill on open waters. Once again this project is a first time LNG will be utilizing a 250,000m³ LNG Carrier and 350,000m³ FSRU. The first time ever a FSRU will be permanently moored in open waters and the first time ever this type of project is being proposed. Therefore,

²⁵ Coast Guard Report on the Broadwater Energy LNG Proposal at page 9 (the table was modified to leave out the Sandia numbers)

²⁶ Coast Guard Report on the Broadwater Energy LNG Proposal at page 13

²⁷ Coast Guard Report on the Broadwater Energy LNG Proposal at page 89

SA7-16

The proposed safety and security zone calculations used by the Coast Guard represent consensus best approaches and assumptions that in the case of uncertainty err on the conservative (that is, the most protective) side. In addition to the calculations for hazard zone determination measures have been recommended to mitigate potential public safety. Section 4.3.4 of the WSR (Appendix C of the final EIS) discusses off-course LNG carriers. Section 3.10.4.4 of the final EIS has been revised to address the potential hazards associated with an incident that results in an LNG carrier grounding. In addition, as described in Section 3.10.6 of the final EIS and Section 6.2 of the WSR, prior to construction of the FSRU, Broadwater would work with the appropriate federal, state and local agencies to develop an Emergency Response Plan and security plan, a Facility Response Plan, and a Facility Security Plan. If the plans are not acceptable, FERC would not authorize operation of the Project.

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SA7-16 ↑ the Task Force maintains that additional information is required before a security and safety zone can be established.

THE TASK FORCE RECOMMENDS:

SA7-17 [The Task Force recommends that until details of an analysis is performed to determine the proper safety and security zone based upon several scenarios of different LNG spills on open waters including the “worst case” scenario, any decision on the DEIS must be postponed.

THERE IS A LACK OF DETAILS REGARDING THE LNG CARRIER AND THE FSRU:

As stated earlier, the WSR and DEIS have required a security zone around the LNG Carrier and the FSRU, which security zones will impact Connecticut waters. The zone around the LNG Carrier, as it traverses the Long Island Sound, directly affects the Connecticut waters and, therefore, directly affects Connecticut’s recreational activities and Connecticut’s commercial activities on Long Island Sound. Therefore, this Task Force has a direct concern over the safety and security issues of this intrusion into Connecticut waters.

The Coast Guard, in the WSR, stated that additional information is required as to the size and design of both the LNG Carriers and the FSRU. The Coast Guard stated that until certain information such as the size of the LNG Carrier, the structure of the LNG Carrier as the well as the size and the structure of the FSRU are finalized, the actual determination of the required safety equipment can’t be determined. Moreover, the WSR states the resources required to ensure the safety and security of a given incident cannot be determined until an emergency plan is submitted by the Broadwater Project and approved by FERC. In particular, the Coast Guard clearly stated in the WSR that the Coast Guard cannot adequately determine the required number of fire boats, tug boats or other safety and security apparatus until the Broadwater Project supplies the required information.

SA7-18 [Consequently, the WSR, on its face, must be deemed inadequate to provide the required safety and security detail if, in fact, the report indicated it failed to have the required information to deliver such a review. The above, is further highlighted by the fact that the Broadwater Project is the first in almost every respect of the project:

1. First time an FSRU is permanently anchored off-shore;
2. First time a portion of Long Island Sound is being dedicated to an industrial use;
3. First time a LNG Carrier of 250,000 cm³ is being constructed;
4. First time an FSRU of is being constructed;
5. First time a possible large LNG spill on open waters can take place:

SA7-17 The Coast Guard has developed what it believes will be the final shape and size of the proposed safety and security zones. Final establishment of the zones would be completed using the Notice of Proposed Rule Making process which is subject to public review and comment.

SA7-18 The WSR (Appendix C of the final EIS), the EIS, and the filings submitted by Broadwater contain requirements for compliance with the state-of-the-art design and technology standards that would be used for the LNG carriers and FSRU. This would include submittal of final design details, development of an Emergency Response Plan and security plans, a Facility Response Plan, and a Facility Security Plan; these plans must ensure adequate protection of public safety. If the plans are not acceptable, FERC would not authorize operation of the Project.

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6. First time a security zone is permanently being erected in the Long Island Sound.

These security concerns are very real and are still causing issues in existing LNG facilities:

The Task Force recognizes the approval system used the siting of past LNG facilities. Further, the Task Force is also aware of the further review by the Coast Guard and other administrative agencies, however, the Broadwater Project is the most unique in the world and the Task Force security concerns regarding this LNG are well founded. The details of the FSRU and LNG Carriers need to be known in order to understand the best manner in which to provide security.

Recently, in August of 2006, at the LNG facility in Boston, two intruders cut through two different security fences and managed to actually make their way to the LNG supply tanks. This break-in was captured on video tape and the reasons for the break-in are not known and the two intruders were never apprehended. Moreover, despite eight visual inspections, this security breach was not detected for five days after the break-in.

This break-in caused an immediate response from the Federal Government. On December 28, 2006, the Department of Transportation, Pipeline and Hazard Material Safety Administration published a notice. This notice apparently was issued as a direct result of the above break-in:

A recent breach in security at an LNG facility shows the need for preparedness and vigilance. The operator discovered a breach of security at the LNG facility during routine maintenance on a gate on the side of the storage tank. Although there was no damage to the tank, intruders had broken through the gates to gain access to the tank.²⁸

SA7-19

These are the concerns that cause this Task Force to require a full security analysis in a transparent process. Therefore, a full set of detailed plans reviewed by the Coast Guard and subject to public review, is critical to the approval process.

The above coupled with a recent CRS Report for Congress entitled "Liquefied Natural Gas (LNG) in U. S. Energy Policy: Infrastructure and Market Issues", updated January 31, 2006, which states, "The nature and level of risks associated with LNG is the subject of ongoing debate among industry, government agencies, researchers and local communities. Whatever the specific risk levels are determined to be, they could multiply as the number of LNG terminals and associated tanker shipments grows. To the extent these costs are not born by the LNG industry, they may represent an ongoing burden to public agencies such as the Coast Guard, law enforcement, and emergency response agencies" (Internal quotes omitted).²⁹

²⁸ Federal Register Vol. 71, No. 249, December 28, 2006

²⁹ CRS Report for Congress entitled "Liquefied Natural Gas (LNG) in U. S. Energy Policy: Infrastructure and Market Issues", updated January 31, 2006

SA7-19

The WSR (Appendix C of the final EIS) includes a Security Assessment and requirements for Broadwater to develop a Facility Security Plan at least 6 months before operation begins in accordance with federal requirements in 33 CFR Part 105 (Section 5.5.4 of the WSR). This plan would also include procedures related to use of any armed security force capable of conducting patrols on water. The Security Assessment and the Facility Security Plan would be available to those with a need to know and the proper authorization for reviewing Sensitive Security Information.

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SA7-20 [The above only serves to underscore and support the Task Force views that the Broadwater project needs more information regarding the design to ensure that fire fighting and other safety and security concerns can be mitigated. Moreover, since it is anticipated that there will be some requirement of State and local agencies involvement in an emergency plan, then, now is the time for all participating agencies to weigh in on issues such as amount of required fire fighting apparatus and security concerns.

MINORITY VIEW:

Although the majority of the Task Force members agreed that FERC must postpone the DEIS process until such time as the proper and necessary resources are identified by the Coast Guard, there was a different views by a minority of the Task Force members. A minority of the Task Force members believe that at the appropriate time, long before the LNG could ever be in operation, the Coast Guard would either have the required resources in place to enforce the security zone or the project would not be permitted to operate in the Long Island Sound. The minority view further stated that the Coast Guard cannot, and as a matter of course, would not, identify the appropriate resources. The Coast Guard will have continuous participation in this project on many levels and, therefore, will ensure the proper and adequate protection for the security zone will be provided.

SA7-21 [As a result, the Task Force believes that based upon the uniqueness of this project, more detailed plans should be available now - or at least FERC should dictate what it demands on the LNG Carrier and FSRU - in order to protect the residents of Connecticut and New York. The Task Force believes that the WSR cannot accomplish its required purpose until all of the safety and security concerns are fully addressed. Further, therefore to address all the safety and security issues a final design of the LNG Carrier and the FSRU seems critical to this function. In support of its position, the Task Force makes the following observations and recommendations:

FIRE SUPPRESSION APPARATUS:

The WSR report finds that the fire fighting system is an important element to the security of the Broadwater Project.

Broadwater Energy has stated publicly its intent to be "self sufficient for purposes of fire safety." In addition to the fire fighting systems on the FSRU and LNG carriers, which would comply with the requirements established by the International Gas Carrier Code, Broadwater Energy has proposed that the assist tugs will be equipped with fire fighting equipment that meets the International Association of Classification Societies "Fi-Fi 1" notation. Firefighters have noted that since the emergency planning process has not been completed, it is too early to determine whether these capabilities are sufficient. In addition, it has not been determined how many tugs with fire capabilities would need to be available and what an acceptable response time would be. This is of particular concern for the

SA7-20 Section 3.10.6 of the final EIS and Section 6.2 of the WSR (Appendix C of the final EIS) address participation of state and local agencies in Emergency Response Plan preparation, and Section 6.2.3.1 of the WSR addresses marine fire fighting. The Emergency Response Plan would need to be reviewed and approved by FERC before Broadwater would be authorized to initiate construction. Therefore, development of an Emergency Response Plan for the Project is not required at this time. Further, there is no guarantee that key local personnel would be willing to dedicate time and resources to the development of the Emergency Response Plan in advance of the completion of the regulatory review process.

SA7-21 FERC would require that safety and security plans for the Project be achievable. In fact, neither FERC nor the Coast Guard would allow operation of the Project until the appropriate safety and security measures are in place. If the Project receives initial authorization to proceed, Broadwater would work with federal, state, and local agencies to develop a Facility Security Plan (as outlined in 33 CFR 101-105) and a Facility Response Plan (as outlined in 33 CFR 154). Further, FERC would need to approve the Emergency Response Plan developed by Broadwater as described in Section 3.10.6 of the final EIS. Operation of the facility would not be authorized until these plans were completed and approved.

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areas if the anticipated transit route in relatively close proximity to large concentrations of commercial or recreational vessel traffic or where a release of LNG could reach shore.³⁰

However, the WSR Report clearly points out that the Coast Guard lacks the equipment and personnel resources required to implement the risk management measures discussed in the WSR Report. According to the WSR Report, the following resources are required to implement the necessary safety requirements:³¹

Resource	Number Required
87 or 110 coastal patrol boat	1 (900-1800 hours)
RBM/UTB	10
Security Boarding Team	7 Boarding Officer (E-5 -E-6) and 7 Boarding Team Members (E-3 -E5)
Boat Crews	10-12 (40-48 personnel, E-3 -E-6)
Marine Inspectors	2 (CWC4 -03)
Facility Inspectors	2 (E-5 -E-6)
Logistics Support Personnel	4 (E-4 -E-5)

The Coast Guard, through the WSR, underscores the fact that there is a need to determine how to obtain these additional resources. Even the Coast Guard is not clear as to where these critical resources will be obtained.

Based on current levels of mission activity, Coast Guard Sector Long Island Sound currently does not have the resources required to implement the measures that have been identified as being necessary to effectively manage the potential risk to navigation safety and maritime security associated with the Broadwater Energy proposal. Obtaining the required resources would require either curtailing current activities within the Sector, reassigning resources from outside of the Sector, or for the Coast Guard to seek additional resources through the budget process. Provided the conditions outlined in Section 7.4 [of the WSR] are met,

³⁰ Coast Guard Report on the Broadwater Energy LNG Proposal at page 154.

³¹ Coast Guard Report on the Broadwater Energy LNG Proposal at page 156

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some of the required resources, e.g., small boats used for LNG carrier escorts or to patrol the safety and security zone around the FSRU, could be provided by a state or local law enforcement agency.³²

Although the WSR requires certain resources, the WSR Report clearly states that, at the present time, the Coast Guard has no idea of the number of tugboats or fire safety equipment that would be required to protect the LNG Carriers and the FSRU. The WSR Report states several times that more information and detail is required before a final determination of safety and security can be rendered. The unresolved issues stem from the lack of detail on the design of either the FSRU, or of the LNG Carriers coupled with a true lack of understanding of the impact of a LNG spill on open waters. While the Task Force recognizes that the past practices by FERC in approving LNG facilities is to get through this first process and then ask for details of the project at a later date, the Broadwater Project should not fall into the "typical LNG siting" category. This Broadwater concept has not been approved in the entire world. These are the largest vessels and floating water storage facilities ever proposed, in an estuary protected by Congress. If ever a project demands that FERC break the typical review process, this is the application that demands special attention.

SA7-22

As a result, the Task Force is requesting FERC to require more information from the Broadwater Project about the design as well as more concrete information about the impact of a LNG spill on open water, or that FERC specifically dictates the criteria that it will demand on the LNG Carrier or FSRU. The siting process should be postponed until all of the required information is filed by the Broadwater Project. Once this additional information is filed, a further review of the project by the Coast Guard will be required to determine if the proper firefighting capabilities are available to ensure the safety of the residents and that the proper number of tugboats are in place to secure the security of the residents.

SA7-23

The above coupled with the inclusion of scientific information, as summarized in the CSR Report and discussed earlier in this report re-evaluating the impact of a LNG spill on the waters of Long Island Sound, will provide a better understanding of the requirements and obligations of a safety and security zone. Said information is required before the DEIS can unequivocally state that the proper Safety and Security measures have been taken or can be affirmatively taken to protect the residents of New York and the residents of Connecticut. It is fundamentally clear that the DEIS Report itself seemed to couch its language carefully when dealing with the safety and security issues.

While the scenarios evaluated for the FSRU in Section 3.10.3 and for LNG carriers in Section 3.10.4.3 provide guidance on the extent of potential hazards, it should not be assumed that these scenarios are the assured outcome of an FSRU or LNG carrier accident or attack, given the conservatism in each of the models and the level of damage required to yield such large-scale releases. As such, the presented scenarios should not be assumed to represent the evacuation zone for potential incident. Rather they provide guidance in developing the operating

³² Coast Guard Report on the Broadwater Energy LNG Proposal at page 156-157

SA7-22

Prior to the pre-filing process, FERC also recognized that the FSRU did not fit into the "typical LNG siting" category and subsequently engaged the expertise of the Coast Guard Marine Safety Center and Sector Long Island Sound to assist us in reviewing the design of the Broadwater FSRU. FERC has also employed a recommendation by the Coast Guard to use the certifying entity framework outlined in NVIC 03-05 for review of the Broadwater FSRU. The American Bureau of Shipping, one of the most world-wide acknowledged classification societies, has been accepted to act as a certifying entity to assist the FERC in the review of the Broadwater FSRU. FERC has not used its typical review process for the Broadwater proposal, but has developed an FSRU-specific review process that includes working jointly with other agencies, classification societies, and other experts to ensure a complete and thorough review.

SA7-23

Please see our response to comment SA7-21.

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restrictions for LNG carrier movements in Rhode Island Sound, Block Island Sound, and Long Island Sound, and in the immediate vicinity of the FSRU. These worst-case scenarios would be used to establish potential impact areas for emergency response and evacuation planning. As with any other fuel or hazardous material, the actual severity of the incident would determine what area needs to be evacuated, if any, rather than a worst-case maximum zone. It is anticipated that the emergency evacuation plans would identify evacuation distances based upon increasing severity of events.³³

SA7-24 As a result, the Task Force maintains that the WSR and DEIS Reports clearly lack information to fulfill the mandate of NEPA and the true purpose of a WSR, which is to require safety and security plans to mitigate the risk with the Broadwater Project and to protect the residents of New York and Connecticut. The Task Force believes that FERC owes a tremendous responsibility to Connecticut residents and all those US citizens that use the Long Island Sound. And FERC cannot ensure their safety until FERC fully understands and evaluates every detail of the Broadwater Project and fully recognizes the impact of a LNG spill on open water incident and any other LNG incident. Providing a safety and security plan based upon conjecture and speculation is disingenuous to the statutory obligation, if not to the moral obligation that government has to its people. Therefore, the Task Force suggests that FERC, in accordance with their power derived by NEPA, ask the Broadwater Project to provide more information on items such as:

1. LNG Carrier specifications;
2. Conduct tests on the number of tug boats required to keep the LNG Carrier and the FSRU under control given a scenario of weather events as well as other impacting events;
3. FSRU characteristics; specifications;
4. More open water LNG spill analysis including worst case scenario given 250,000 cm³ LNG Carrier and a 350,000 cm³ LNG Carrier using the CSR Report as a basis of determining these events.

SA7-25 If September 11, 2001, taught us anything, the lesson we learned is to prepare for the unexpected. Until FERC undertakes such obligations and the Broadwater Project provides such information, it is a farce to indicate that FERC has upheld its legal and moral obligation to ensure the safety and security of the Broadwater Project to the people of the State of Connecticut or the State of New York.

This Task Force recognizes the apparent issue of expediting the application as suggested by NEPA and apparently endorsed by FERC. This Task Force asked for additional time in which to review the DEIS until March 23, 2007, which request was denied by FERC stating the federal statute requires FERC to move "expeditiously". This Task Force also recognizes the legal obligation to ensure safety and security for the Broadwater Project. Any legislation, in which the paramount concern is the review of safety and security issues to protect the people of the United States, cannot be ignored in

³³ Draft EIS by FERC dated November 2006

SA7-24 When implemented, the recommendations presented in the WSR and EIS would ensure that adequate public safety precautions would be in place. The information used to prepare the EIS was sufficient to assess the environmental impacts of the Project in accordance with NEPA requirements, and we do not believe that additional design details are needed for the environmental review.

If Broadwater receives initial authorization from FERC, it would be required to provide additional detailed design information, an Emergency Response Plan, and other safety and security information. After the information is filed with FERC, there would be several review and approval points after the initial authorization, including reviews by the Coast Guard. If the information provided by Broadwater is not sufficient or if FERC or the Coast Guard is concerned about safety or security, or emergency response planning, the required additional authorizations to proceed would not be issued. If the plans are not acceptable, FERC would not authorize operation of the Project.

SA7-25 As described throughout Section 3.10 of the final EIS and Appendix C (the Coast Guard's WSR), safety and security are of paramount concern to both FERC and the Coast Guard. The evaluation contained therein is based on the best information available to protect people and the environment.

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favor of expediting an application. In fact, the FERC rules expressly allow FERC to postpone a decision of the DEIS in order to obtain more information:

The Commission has three possible courses of action in processing an application for a project such as that proposed by Broadwater. The Commission may (1) authorize the proposal with or without conditions, (2) deny the proposal, or (3) postpone action pending further study.³⁴

This fire protection is an absolute protection, which should not be tempered by an arbitrary time frame. The Task Force firmly believes that corporate interest should never override safety concerns. As a result, although there is "expedited" language in the law, such language can also mean to quickly reach a negative result for those applications which are incomplete.

MINORITY VIEW:

Although the majority of the Task Force members agreed that FERC must postpone the DEIS process until such time as final plans are detailed and the proper and necessary fire apparatus resources are identified by the Coast Guard, there was a different view by a minority of the Task Force members. A minority of the Task force members believe that there is no need to review detailed plans at this stage of the process. The minority indicated that at the appropriate time, long before the LNG could ever be in operation, the Coast Guard would either have the required resources in place to protect against any potential fire issues or require the Broadwater Project to provide any required fire suppression systems in order for the LNG Carriers and the FSRU to operate safely on the Long Island Sound. The minority view further stated that the procedure being followed by FERC is the normal operating procedure and, since the Coast Guard shall have continuous participation in the Broadwater Project on various levels, therefore, the detailed plans can be reviewed at that time. As a result, this is the right process to follow.

TASK FORCE RECOMMENDS:

For the Broadwater Project, to achieve the level of safety and security as required by the Coast Guard Report, FERC must either require additional plans from Broadwater or establish its own minimal standards which it will accept to achieve its safety purposes. Until such time as FERC acts as stated above, any decision on the DEIS must be postponed.

³⁴ Draft EIS by FERC dated November 2006

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THE REPORT LACKS THE SUBSTANTIVE EXPERTISE REQUIRED TO CREATE A LEGITIMATE REPORT³⁵

FERC through the National Environmental Policy Act (“NEPA”) is required to draft the DEIS. As FERC states in its report “The purpose of the EIS is to provide the public and the permitting agencies with information about the potential adverse and beneficial environmental impacts of the propose Project and its alternatives, and to recommend mitigation measures that would avoid or minimize adverse impacts to the maximum extent practical”³⁶ In an attempt to comply with NEPA, FERC on November 23, 2006, filed its DEIS for the Broadwater Project. The Task Force read the report and concluded that additional experts were required in order to more fully understand the report. Further, the Task Force was concerned about the method in which the report was drafted. The DEIS lacked quantitative data; lacked a detailed analysis of that data; and lacked an environmental understanding of the Long Island Sound. If the obligation by FERC is as stated above, to fulfill the mandate of NEPA, then accurate information, accurate analysis, the best source of information and the reliance on experts who are most knowledgeable in the environment of Long Island Sound is essential. If factual information is in error or a lack of understanding of the environment in the Long Island Sound, then any conclusions drawn from such information must, by definition, be erroneous. As the old saying goes, “garbage in equals garbage out”.

As a result, the Task Force asked a number of known experts to evaluate the report and testify before the Task Force. On December 7, 2006, the Task Force heard the testimony from these experts. The experts called to testify were: Ralph Lewis retired State of Connecticut Marine Biologist, Dr. Roman Zajac University of New Haven Professor of Biology and Environmental Science, Peter Ausster, associate Professor, Natural Under Water Research Center and Dr. Lane Stewart Commissioner of US Marine Fisheries at UConn.

After reviewing the DEIS, each of these experts concluded that the DEIS lacked the appropriate analysis, was factually inaccurate, and failed to support any of its conclusions (transcripts of the experts are on file with the Task Force). The basic premise of all the experts was that Long Island Sound is a unique estuary developed through its unique evolution history. As such, any report or finding of the DEIS should be reviewed by an expert in Long Island Sound environmental sciences.

SA7-26 [

The LIS is unique estuary with a unique history:

It has been an ancient river, a fertile valley, a vast ice field, and a milky, iceberg laden lake almost 200 miles long. What it hasn't been, until recently, is the saltwater estuary that makes Long Island a long island.

³⁵ On January 16, 2007 FERC met with the experts in this report as well the co-chairs of the Task Force and Connecticut Attorney General and FERC agreed to make certain changes in the report which changes and conclusion were not ready at the time of this report and therefore the Task Force is not commenting on any potential changes and will review that which is currently in front of them.

³⁶ Draft EIS by FERC dated November 2006

SA7-26

The scope of the EIS was developed based on input from federal and state agencies, non-governmental organizations, and the public. During preparation of the EIS, FERC conducted dozens of meetings and conference calls with local representatives from over a dozen federal and state resource agencies. The authors of the EIS are well versed in the requirements of NEPA and impact analysis associated with pipelines that have held up to agency and legal scrutiny. In addition to agency experts, the EIS team was complemented by local experts, including Dr. Richard Cooper of the University of Connecticut. Preliminary versions of the draft and final EISs were provided to representatives of the Coast Guard, EPA, COE, NMFS, and NYSDOS for review and comment. In addition to these agencies, we received technical comments on the draft EIS from other federal and state resource agencies, experts from academia, non-governmental organizations, the private sector, and the public. All of these comments were considered in preparation of the final EIS.

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Long Island Sound is only about 11,000 years old -- born yesterday, by the standards of geology. But it runs deep into the distant past. In fact, experts say were it not for a river that formed tens of millions of years earlier when dinosaurs were still roaming the area, the Sound probably wouldn't exist today and Long Island would be part of Connecticut.

The signs of the Sound's varied history are everywhere, if you know where to look. Under its muddy bottom are beach ridges that radiate from the waterway's center like bathtub rings and mark its gradual expansion as sea level has risen. Embedded in its shoreline cliffs are dark-colored ribbons of clay from a now-vanished freshwater lake. Buried deep in its sediments are the shells of animals that thrived when the Sound was a valley laced with streams, and deeper still are the shadowy vestiges of the ancient river channels that first carved the valley in the time of the dinosaurs.

Geologist Ralph Lewis has been studying those signs for 16 years. Using submarines, sonar, drilling machines and even remote-controlled vehicles to explore the Long Island Sound's depths, Lewis and other experts have compiled a detailed chronology of the waterway's relatively recent birth, and its ancient antecedents.

"What's fascinating about Long Island Sound is that so much of the story happened in the last 12,000 years, when humans were here," said Lewis, an associate state geologist at the Connecticut Geological and Natural History Survey. "The first people who came to this area saw a completely different world than we see today. They watched Long Island Sound evolve."

The story actually begins tens of millions of years before the first Indians arrived, when the valley that would one day become Long Island Sound was carved by a river, or perhaps two rivers, that drained a broad, sandy coastal plain. Smaller tributary streams extended to the south onto present-day Long Island, and carved similar valleys that today are still recognizable as the harbor inlets of the north shore, from Little Neck Harbor in Queens all the way out to the gently curved bays of the North Fork.

But as with almost every other natural feature in the region, it took a series of huge ice floes descending from Canada -- the glaciers -- to transform that ancient valley into the shape we would recognize as Long Island Sound.

At least twice over the past 150,000 years, ice sheets with imposing front walls that may have been 1,000 feet tall plowed across that river valley.

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As they moved, the glaciers widened and deepened the valley, scooping up a massive amount of rock and sand and carrying it south onto Long Island. Some of the scooped-up material ended up as a long ridge, called a terminal moraine, that marks the line where each glacier finally stopped and began receding north again as it melted. The glaciers, however, did not retreat steadily. Instead, they stuttered, creating new ridges called recessional moraines wherever they paused. Today, the locations of two of those moraines are marked by the elevated spines of the north and south forks of Long Island.

Each time a glacier retreated north, it left behind an extraordinary calling card: a large but temporary lake formed by the melting ice. On their north sides, these glacial lakes were bounded by the towering ice wall of the receding ice sheet, and on the south by the bouldery ridges of the moraines.

The last glacier, which probably arrived on Long Island about 23,000 years ago, is the one that researchers know the most about. As it slowly receded into New England about 2,000 years later, the glacier left in its growing wake a huge lake, or perhaps series of lakes, extending from Queens to Martha's Vineyard. Scientists call the Long Island Sound portion of that lake Glacial Lake Connecticut.

"You may have been able to canoe all the way from New York City to Buzzard's Bay [Massachusetts] in this one big freshwater lake," Lewis said.

Lake Connecticut was unlike anything Long Islanders would know today. It was deeper and colder than today's Sound and probably had no fish. Icebergs likely floated on its waters, and even its color was different: dim and milky because it contained so much "rock flour" -- the powdery residue of rocks ground down by the glacier. Mastodons and giant sloths probably roamed the barren tundra of the lake's southern shoreline, while the towering, gray ice wall loomed on the opposite shore. As the ice continued to recede, short-lived glacial lakes later formed near Albany and Hartford, among other places.

About 3,000 years after it was born, Lewis said, Lake Connecticut drained through an eroded gap in the moraine ridge near Fisher's Island. For a short time, starting about 16,000 years ago, the ancient but newly broadened valley was once again exposed. But not for long, because about 1,000 years later, rising ocean waters came in through the same eroded gap -- this time in the opposite direction. Eventually, the ocean broke through on the valley's western edge, too, and the Sound began to take shape.

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But the Indian hunters who began arriving in the area soon afterward saw a waterway that looked very different than it does today. Long Island Sound at first was slender and small, and its shorelines were bare. Sea level was rising so quickly that there wasn't time for marshes -- which can take decades to fully develop -- to appear along its edges. Indeed, it wasn't until about 4,000 years ago, when the rate of sea level rise slowed, that the wetlands we know today began to appear along its coasts.

Since then, the Sound's waters have risen another 20 feet, enough to reclaim huge chunks of land that had not been submerged since the days of Lake Connecticut. But even today, Long Island Sound isn't finished growing. Erosion and rising sea level continue to cut into its shore cliffs and beaches, slowly expanding the boundaries of this young and ever-changing waterway.

(The Evolution of LI Sound Once a river, then a valley, a lake, and recently the body of water we know today By Dan Fagan, Staff Writer, News Day 2006)

SA7-27

This unique estuary requires any environmental analysis to be performed by experts who have studied the Long Island Sound and know the environment of the Sound. Any effort to attempt to use existing data from other water bodies, is contrary to the law on environmental science and completely disregards the uniqueness of the Long Island Sound.

The experts, who testified at a Task Force hearing on December 7, 2006, are experts in the environment of the Long Island Sound. These experts reviewed the DEIS Report on the environmental impact the Broadwater Project would have on the Long Island Sound and found the study to be flawed in many respects. Below is the summary of their views:

THE EXPERTS TESTIFIED THAT THE DEIS REPORT LACKED SUBSTANCE:

Ralph Lewis:

SA7-28

My finding is that probably this is at the level of maybe an undergraduate, reasonably bright undergraduate, who's taken some geology courses, I'm reviewing the geology section, who had some insights but probably went to the library the afternoon before the paper was due, grabbed what was there, and pulled an all nighter and wrote the paper, first draft.

SA7-27 Please see our response to comment SA7-26.

SA7-28 We recognize that Dr. Ralph Lewis, Dr. Roman Zajak, and Dr. Peter Auster provided comments to the Connecticut LNG Task Force on December 7, 2006, shortly after the draft EIS was publicly released. FERC representatives met with these experts on January 16, 2007, to discuss their specific concerns, especially as they related to potential impacts of the proposed Broadwater Project after the local experts had additional time to review the draft EIS. We have provided specific responses to the experts' technical concerns identified in our meeting with these experts on January 16, 2007. The experts' comments and our responses are provided in Table 2.2-5 (Appendix N in this final EIS). In addition, their comments have been addressed in the final EIS.

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SA7-28



And I base that on my first read. I haven't really spent a lot of time with it, but that was my first impression. So they certainly didn't meet the level of expectation that I would have, and I would call that sloppy in my terminology. If I were talking to a student, I'd say that was a pretty sloppy first effort, so that's the terminology I'll use.

So what I have to say is, overall, it's a fairly sloppy general overview of the geology of Long Island Sound by people who either didn't have the knowledge or didn't take enough time to seek out the best reference material in support of their arguments.
(Page 6 of the Island Sound Liquefied December 7, 2006 Natural Gas Task Force Hearing)

This impression was shared by all the experts who reviewed this report:

Dr. Roman Zajac:

My expectations actually, I'd like to echo some of the things that Ralph said. My expectations were actually a bit higher. I would expect that in these kinds of EISs.

We would have it at minimally what we would, some minimal professional level, and unfortunately I must say that my read of this, leads me to conclude that it's just not there, and I think much of the environmental section suffers from that.

(Page 22 of the Island Sound Liquefied December 7, 2006 Natural Gas Task Force Hearing)

Peter Auster:

The document was poorly researched, you know, without suggesting any type of motivation. I thought that the authors kind of glommed over a number of issues using a minimal amount of literature, analysis or synthesis about literature to conclude that there were minimal impacts in some, in many of the areas.

(Page 33 of the Island Sound Liquefied December 7, 2006 Natural Gas Task Force Hearing)

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THE EXPERTS TESTIFIED THAT THE DEIS REPORT LACKED UNDERSTANDING OF ENVIRONMENTAL SCIENCE:

In addition to above comments, the experts, in their initial review had a variety of substantive comments. Examples of these comments are as follows:

The DEIS report relied upon old data, that in some instances was over 35 years old.³⁷ There is new information which supersedes the information relied upon in the DEIS report. Some of DEIS facts regarding the Long Island Sound is simply wrong. For example the DEIS discusses marble being quarried in the Long Island Sound.³⁸ There is no marble in the Long Island Sound.³⁹ Other wrong facts or over sights regarding the geology of the Long Island Sound include:

1. The Mesozoic rift basin;⁴⁰
2. The Norwalk Shoal complex divides the eastern sound from the middles of the sound, but Norwalk is in the western sound;⁴¹
3. There is no basalt outcrops in Long Island Sound as reported by the DEIS report;⁴²
4. The report refers to clay deposits as existing in the Long Island Sound when in fact these deposits are up 600 feet deep;⁴³
5. The DEIS mentions that there are no fault lines, which must be false because there are earthquakes in Connecticut and one can't experience an earth quake without an active fault line.⁴⁴
6. The report is too basic and lacks scientific detail in order to understand the issue of recovery or potential recovery due to the Broadwater project.⁴⁵
7. The DEIS report discusses that, in the area there were no hard clams or surf clams sub sea surface video. First, these generally live in the sediments and wouldn't be seen on the video. Secondly, they are generally very hard to find on a video. Since there lacks an analysis of the video in their report, this makes their conclusion suspect;⁴⁶

³⁷ Transcript Task Force Hearing December 7, 2006 page 6

³⁸ DEIS Report section 3-1

³⁹ Transcript Task Force Hearing December 7, 2006 page 6

⁴⁰ Transcript Task Force Hearing December 7, 2006 page 8

⁴¹ Transcript Task Force Hearing December 7, 2006 page 9

⁴² Transcript Task Force Hearing December 7, 2006 page 9

⁴³ Transcript Task Force Hearing December 7, 2006 page 9

⁴⁴ Transcript Task Force Hearing December 7, 2006 page 14

⁴⁵ Transcript Task Force Hearing December 7, 2006 page 23

⁴⁶ Transcript Task Force Hearing December 7, 2006 page 24

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8. As comparison of disturbance colonization the report uses European waters, which demonstrates the lack of understanding of the unique waters of Long Island Sound and in fact the uniqueness of each area of different species that live in each area of the Long Island Sound;⁴⁷
9. The DEIS Report looked at data from Army Corps of Engineers on dredge spoil mound disposals in Long Island Sound to determine the recovery of a ditch that would be created by the Broadwater Project, such a comparison is invalid;⁴⁸
10. Inconsistencies from one section to the next;⁴⁹
11. A lack of fundamental research on disturbance ecology;⁵⁰
12. A lack of extensive research on the differences between leaving the pipe covered or uncovered;⁵¹
13. No information on the acceptable acoustics level based upon some research that is available if one were to look for the answer;⁵²

The above are only a few of the comments regarding the lack of study in the DEIS Report and the lack of due diligence of the DEIS Report. If the DEIS Report is wrong factually and wrong substantially, how can its conclusion that there is no environmental impact to the Long Island Sound be sustained? As a result of these glowing errors in the DEIS Report, one must conclude that the requirements as mandated by NEPA have not been satisfied.

The DEIS Report fails to address some of the very basic, but yet important design aspects of the Broadwater Project. (The below is not an exhaustive list of issues, but a lack of time, limits the ability of this Task Force to address all the issues that could possibly be raised):

1. This report lacks the sufficient facts to make a final determination of the environmental impact Broadwater Project will have on the Long Island Sound;⁵³
2. The 165 foot long piles mentioned in the report may not be accurate because clay deposits in the Long Island Sound can be over 500 feet

⁴⁷ Transcript Task Force Hearing December 7, 2006 page 25

⁴⁸ Transcript Task Force Hearing December 7, 2006 page 26-27

⁴⁹ Transcript Task Force Hearing December 7, 2006 page 34

⁵⁰ Transcript Task Force Hearing December 7, 2006 page 35

⁵¹ Transcript Task Force Hearing December 7, 2006 page 40

⁵² Transcript Task Force Hearing December 7, 2006 page 42

⁵³ Transcript Task Force Hearing December 7, 2006 page 32

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- thick as such further work needs to be done to determine the accurate depth to reach the bedrock;⁵⁴
3. There is a serious issue if the floor of the Long Island Sound can support the weight of the pipe from the FSRU to the Iroquois Gas Line;⁵⁵
 4. The conclusion resulting in the decision to bury the pipe is not supported by the information in the report;⁵⁶
 5. There no analysis on “intringement”, the mortality steam of dead zoa plankton and small larva that are redistributed around the operation;⁵⁷
 6. There is analysis on the ictia plankton and crustacean plankton that are important to our commercial and recreational fishing industry;⁵⁸
 7. Thermal boundaries as orientation cues for the fish;⁵⁹
 8. There is no defined monitoring plan based upon pre and post inspections to determine if corrective measures are needed;⁶⁰

THE TASK FORCE RECOMMENDS:

SA7-29

As a result, the Task Force recommends that FERC postpone the process and request a more detailed DEIS Report to be re-evaluated with the aid of those experts who have studied the Long Island Sound and who are the true experts on the environment in the Long Island Sound. The sole purpose and intent of NEPA is to accurately and fairly determine the environmental effects a project may have in a given environment. This purpose is even more pronounced when a project is being proposed in an estuary protected by Congress. This DEIS Report fails to uphold legal and moral obligation to comply with NEPA and the overriding legal obligation to protect a Congressionally protected estuary.

SA7-29

The Broadwater EIS has been prepared in accordance with NEPA requirements. The purpose of a draft EIS is to inform the public about the proposed project, and to obtain technical comments on potential impacts and appropriate mitigation to avoid and minimize environmental impacts. We believe that the wealth of comments that have been received on the draft EIS will serve to enhance the accuracy of the final EIS – which is the explicit intent of the NEPA process.

⁵⁴ Transcript Task Force Hearing December 7, 2006 page 15

⁵⁵ Transcript Task Force Hearing December 7, 2006 page 16

⁵⁶ Transcript Task Force Hearing December 7, 2006 page 40

⁵⁷ Transcript Task Force Hearing December 7, 2006 page 53-54

⁵⁸ Transcript Task Force Hearing December 7, 2006 page 54

⁵⁹ Transcript Task Force Hearing December 7, 2006 page 55

⁶⁰ Transcript Task Force Hearing December 7, 2006 page 57

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THE BURDEN IS UPON BROADWATER TO DEMONSTRATE THAT THIS PROJECT WILL NOT HARM THE LONG ISLAND SOUND - NOT THE BURDEN OF OTHERS TO DEMONSTRATE THAT THE BROADWATER IS HARMFUL TO THE ENVIRONMENT

SA7-30 [The experts who testified before the Task Force determined that the information contained in the DEIS does not support the conclusion that the project will not harm the Long Island Sound. The Task Force does not have the resources to take the position that the Broadwater Project will harm the Long Island Sound. Neither is it the responsibility of the Task Force, or any party, to demonstrate that the project will cause harm to the Long Island Sound. It is the sole obligation of the Broadwater Project to demonstrate to FERC that this project will not adversely impact the Long Island Sound. The Task Force has clearly demonstrated that further studies are required before FERC has the required information to draw a conclusion and act on the DEIS. The current DEIS lacks any foundation to conclude that the Broadwater Project will be not harmful to the Long Island Sound. Certainly a number of important and relevant issues have been raised by the Task Force, which at the very least requires FERC to reevaluate the environmental issues raised by the experts and actually perform additional studies of this project before FERC can rule on the DEIS.

SA7-31 [FERC'S obligation by virtue of NEPA is to ensure the environmental safety of this project. Therefore, unless the Broadwater Project can unequivocally demonstrate that the project will not harm the environment of the Long Island Sound. There is absolutely no clear evidence that the Broadwater Project will not impact the Long Island Sound and therefore FERC must postpone the decision on DEIS until the accurate evidence is presented.

BY ALL ACCOUNTS, THE APPLICATION BY THE BROADWATER PROJECT SEEMS INCOMPLETE:

The Task Force also finds that the application from Broadwater is incomplete. There are certain critical pieces of information missing. This missing information makes it virtually impossible for FERC to ever conclude that this project can satisfy the many obligations under the federal statute. For example:

FSRU:

SA7-32 [At the time of the DEIS the actual design specifications were not finalized by Broadwater.

Broadwater has indicated that final design and material specifications for the FSRU would be determined in consultation with a ship classification society. Classification societies are organizations that develop and apply design, construction, and maintenance rules for ships and offshore structures. These rules apply to the strength and integrity of a vessel or the structure's hull and appendages, and the reliability of

SA7-30 This comment does not seem to represent the statements made by the experts to the LNG Task Force or the contents of the EIS. The large majority of the expert's comments are focused on the environmental setting of Long Island Sound. Very few of their comments are associated with the magnitude or extent of the potential impacts of the proposed Project, especially at a Sound-wide level. The EIS explicitly states in dozens of places that the proposed Project would result in impacts (albeit minor impacts) to air emissions, water resources, and biological resources. Therefore, not only do the experts not conclude that there would be widespread harm or impact to the environment, but the EIS also clearly describes and quantifies the anticipated level of impact. It also should be recognized that Project construction and operations would be conducted in accordance with federal and state regulations and permits that have been developed to protect the environment.

SA7-31 The final EIS was prepared in compliance with NEPA guidelines, CEQ regulations for implementing NEPA, and FERC's regulations for implementing NEPA. As identified in the commentor's preceding paragraph, the purpose of our environmental review was not to determine that there were no impacts of the proposed Project but to accurately and fairly identify what the environmental impacts would be. Throughout the final EIS, we have defined a wide variety of environmental impacts of the proposed Project and identified measures to minimize those potential impacts. Consequently, we believe that the final EIS satisfies the purpose and intent of the environmental review process.

SA7-32 Please see our response to comment SA7-31.

SA7-33 As described in detail throughout Section 2.0 of the final EIS, the FSRU design specifications are adequate to assess potential environmental impacts of the proposed Project, including those aspects specifically related to environmental impacts such as physical size and function, berthing and unloading facilities, LNG storage and containment, vaporization facilities, ballast water systems, power generation, sanitary systems, and stormwater handling.

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steering, power generation, and other systems needed to maintain essential services. Classification societies rely on the review and opinions of industry experts.⁶¹

SA7-34 [Therefore, without the required information, the total scope of the safety and security analysis cannot be achieved.

LNG Storage Containment:

Broadwater has not selected a specific design for the storage tanks. As currently proposed, Broadwater would use a design similar to the Gaz Transport, Technigaz Mark III, or Technigaz No. 96 membrane tank systems.⁶²

Lighting Plan:

However, when the EIS was being prepared, Broadwater had not finalized the FSRU lighting. Therefore, we recommend that:

- Prior to placing the FSRU into operation, Broadwater file the final FSRU lighting plan with the Secretary, for review and written approval by the Director of OEP.⁶³

SA7-35 [This is important to the environmental analysis. Migrating bird travel at night and the illumination specification are critical to this environmental issue.

On- Shore Facilities:

Broadwater has not identified the exact location of where these services for on-shore facilities would be located:

As proposed, Broadwater has indicated that both temporary and permanent on-shore facilities would be required during construction and operation of the Broadwater LNG facility. During construction of the pipeline from the FSRU to its connection with the IGTS pipeline, the Broadwater contractor would require temporary space on the shore and dock space. This area would be used primarily for shuttling personnel and supplies to the project site. Barges would be used for transporting the pipe; the vessel type for personnel transport has not been specified. Broadwater has indicated that existing dockage space in Port Jefferson or Greenport would be used for this purpose.

⁶¹ DEIS Broadwater Project November 2006 pp. 2-3

⁶² DEIS Broadwater Project November 2006 pp. 2-6

⁶³ DEIS Broadwater Project November 2006 pp. 3-100

SA7-34 Please see our response to comment SA7-24.

SA7-35 As discussed in our responses to comments FA1-2 and FA1-6, Sections 3.3.5 and 3.4.1.4 of the final EIS have been updated to address potential lighting and strike hazards to migratory birds, including federally listed species. In June 2007, FWS concurred with FERC's determination that collisions with the proposed FSRU would not be likely to adversely affect federally listed species (such as the migrating piping plover).

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Permanent on-shore facilities would include office space, warehousing, and a facility with waterfront access. These facilities would be located within existing marine facilities that are operated by others. Waterfront facilities primarily would be used for tug mooring, personnel transfer, and materials transfer.⁶⁴

All historic properties in the vicinity of the proposed locations for on-shore support facilities are located outside of the boundaries of the proposed facilities. Proposed on-shore activities, such as berthing of tugs, storage of materials, equipment loading and unloading, and transfer of crews, are consistent with the historic use of the immediate areas at both proposed locations. The SHPO commented on Broadwater's survey on October 13 and December 22, 2005, and requested additional information, which Broadwater subsequently provided.

Broadwater has indicated that, due to the severe land alterations that previously occurred and the absence of natural surfaces at the Greenport and Port Jefferson locations, neither site is likely to contain significant archaeological resources. On February 9, 2006, the SHPO responded that no archaeology concerns are associated with the Port Jefferson location. If the Greenport location were selected, the SHPO requested additional information from Broadwater on the historic setting and site plans because the site is adjacent to two NRHP-listed historic districts.

Broadwater recommended that Project-related activities at either of the proposed on-shore support facility sites would not adversely affect historic properties. However, the potential effects of the on-shore support facilities cannot yet be determined since the design of the on-shore facilities has not been finalized.

Temporary on-shore facilities (a concrete coating yard and a pipe storage yard) would make use of existing facilities but the location of these facilities has not been identified.

To ensure that the Commission's responsibilities under Section 106 of the NHPA and its implementing regulations are met, we recommend that:

Broadwater defer implementation of any treatment plans/measures (including archaeological data recovery), construction of facilities, and use of all staging, storage, or temporary work areas and new or to be-improved access roads until:

⁶⁴ DEIS Broadwater Project November 2006 pp. 3-152

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a. Broadwater files with the Secretary cultural resources survey and evaluation reports, any necessary treatment plans, and the New York State Historic Preservation Officer's comments on the reports and plans; and
b. the Director of OEP reviews and approves all cultural resources survey reports and plans, and notifies Broadwater in writing that treatment plans/mitigation measures may be implemented or that construction may proceed.⁶⁵

SA7-36

The incompleteness of the application is demonstrated by Broadwater not even securing an on-shore support facility which is required by FERC. The incomplete application is not a minor issue. Detailed plans have a direct bearing on safety and security issues such as the firefighting apparatus, the number of tugboats required and the extent of the requirements for the on-shore support services and the security of such support services, all depends upon a complete application. The Task Force believes the detailed plans should be reviewed at this stage of the process particularly when dealing with the Broadwater Project which, as mentioned earlier, is the first of its kind in many respects.

THE TASK FORCE RECOMMENDS:

The Task Force recommends that until there is a complete application, FERC should postpone a ruling on the DEIS.

PHASE II:

In the event that FERC decides to continue to process the application, irrespective of the Task Force's concerns as detailed in Phase I of this report, then the Task Force would make the following recommendations to the DEIS, in Phase II of this report, to further protect the interest of the State of Connecticut residents.

ON SHORE FACILITIES:

SA7-37

The Coast Guard recommends that all required water fire fighting apparatus be purchased and placed into service before the Broadwater Project is operational. Furthermore, the Coast Guard requires that on-shore operational locations be created which would be able to support the Broadwater project and house the various required fire fighting and safety apparatus. However, the Task Force recommends, based upon both the WSR and DEIS Report, that the best locations for the on-shore services to support the Broadwater Project would be in the area of the New Haven Harbor and in the New London Area. These locations will provide a faster and more certain response time to a given emergency. In New Haven the on-shore support facility would be closer to the

⁶⁵ DEIS Broadwater Project November 2006 pp. 3-157

SA7-36

As described throughout the final EIS, the potential impacts associated with onshore facilities would be minimal whether located at existing industrial facilities in Greenport or Port Jefferson. As is standard for energy projects of this nature, specific details of the emergency response services are developed and finalized in concert with federal, state, and local agencies after completion of the environmental review but prior to implementation of the proposed Project.

SA7-37

Broadwater has identified the proposed sites of the onshore support facilities based on normal operations. If the Project is authorized by FERC, Broadwater would coordinate development of an Emergency Response Plan (as described in Section 3.10.6 of the final EIS) that would need to be approved by FERC prior to initiation of construction. Broadwater would work with appropriate federal, state and local agencies to determine the best locations for any response facilities, subject to FERC review and approval.

In addition, the tug response time from home port to the Race is not the primary consideration in response planning. Regardless of where escort tugs are based, they would leave port to meet incoming LNG carriers before the LNG carriers enter the Race (at the pilot station), and tugs would accompany LNG carriers from that point until the outgoing LNG carrier has been escorted back to the pilot station.

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SA7-37 ↑ FSRU, as opposed to either Port Jefferson, Long Island or Greenport, Long Island. And, in the New London area, the on-shore support facility would be closer to the Race area, which is of some concern to the Coast Guard. As FERC reveals in its report, both the Port Jefferson and Greenport locations have significant traffic and other concerns which may hamper a quick response time in the event of an emergency:

Traffic in this area of the Sound between Port Jefferson and Greenport and the FSRU would increase; tug traffic to support LNG vessel operations would transit to and from the facility at least twice per week.

For Port Jefferson, New York (a proposed location for shore-based Project support), over 27,000 vessel trips were reported in 2003 (Table 3.7.1-1), a daily average of 76.3 trips. The Project would add four tugs based at the port. Assuming three LNG carrier arrivals per week and four tugs assisting per arrival, the Project-related tugs could add up to 24 trips per week (counting both tug departures and tug arrivals), or 1,248 trips per year. However, that estimate is likely high because only the largest LNG carriers would require the support of four tugs. Crew rotation would occur weekly; a round trip of the crew vessel would add 2 trips per week, or 104 trips in a year. Additional supply vessel trips, crew vessel trips, and other support trips would be involved with routine operations and maintenance. Those additional vessel trips were assumed to average 1 round trip per day, or 730 departures and arrivals per year. The net increase in vessel traffic would be 2,082 trips per year, or a daily average of an additional 5.7 vessel trips per day, an increase of daily traffic at the port of 7.5 percent. The majority of the increase is due to the tugs, which would depart within a short period of time when an LNG carrier is arriving and return after the carrier departs.

For Greenport, New York (the other proposed location for shore-based Project support), over 56,000 vessel trips were reported in 2003 (Table 3.7.1-2), a daily average of 154 trips. The large number of vessel transits includes the Greenport-Shelter Island ferry, which departs "every 15 to 20 minutes" on weekdays (North Ferry Company 2006). The Project would add the same trips identified above for Port Jefferson. The net increase in vessel traffic at Greenport would be 2,082 trips per year, or a daily average of an additional 5.7 vessel trips per day, an increase of daily traffic at the port of 3.7 percent. The majority of the increase is due to the tugs, which would depart within a short period of time when an LNG carrier arrives and return after the carrier departs.

The magnitude of impacts to marine traffic in Port Jefferson or Greenport would depend upon the ability of the port to accommodate additional marine traffic capacity. The ferry associated with each port holds to a published schedule, and delays in a single ferry transit could affect on-time performance of subsequent ferry transits. Because of the incidental nature of the tug and other support vessel departures and returns, and because the types of vessels involved would be consistent with existing vessel traffic, the impact to marine transportation is

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considered minor but would last for the duration of the Project. To mitigate the impact, vessels would follow Inland Rules of the Road (Collision Regulations), which are established standards and protocols for vessel maneuvering and marine traffic movement.⁶⁶

It is based upon the above that the Task Force recommends the on-shore support facility be constructed in the New Haven Harbor and in the New London area:

- SA7-38
1. The on-shore support facility in the New Haven Harbor would be closer to the FRSU versus the Long Island locations and fast response is an important criteria according the Coast Guard.
 2. An on-shore facility in the New London area would be closer to the Race, which is heavily traveled and an area of concern.
 3. New Haven Harbor has a variety of locations for this support facility to be housed.
 4. In addition, the New London area also has areas for an on-shore facility.
 5. The entrance into and out of New Haven Harbor as well as the New London area are wider and lends itself to easier and faster response time in the case of an emergency at the FRSU of to the LNG Carrier, versus the narrow and traffic ridden locations at either of the two Long Island locations.
 6. The on-shore emergency location in New Haven Harbor and in the New London area are very close to the proximity to an airport and as such have a helipad as an alternative site to land in the event there was a problem at the original on-shore helipad site.
 7. New Haven Harbor and New London Harbor area are in close proximity to very well known hospitals if immediate medical attention is required.
 8. The New Haven Harbor is located close to the Coast Guard station making co-ordination of emergency response situations easier to control and more streamlined.

THE TASK FORCE RECOMMENDATIONS:

SA7-39 As a result, the Task Force recommends that FERC require the support services to be located in the general area of the New Haven Harbor and/or the New London Area.

THE REQUIRED NUMBER OF TUGBOATS:

SA7-40 The Task Force is also recommending that at least four tugboats at all times escort the LNG vessel when it enters into the Long Island Sound until it transfers its load to the FRSU. These LNG Carriers are anticipated to be able to hold 250,000 m³ at least. The design including the size of the tanker and the fire suppression systems have not been designed as of the date of the WSR and, therefore, the conservative plan should be to control these LNG Carriers with the best protection against any incident which may cause

⁶⁶ FREC Draft Environmental Impact, Statement Broadwater LNG Project November 2006 p. 152

SA7-38 The onshore facilities to support construction and standard operations of the proposed Broadwater LNG Project would be located either in Greenport or Port Jefferson. The location(s) of emergency support services would be determined by federal, state, and local emergency response agencies prior to implementation of the proposed Project and would be based on access, proximity, capabilities, and capacity to support emergency functions.

SA7-39 The location of these facilities would be addressed during development of the safety and security enforcement plan, and is beyond the scope of this EIS.

SA7-40 The total number of tugs required for the Project would be based on Project-specific tug requirements and assignments. Tug requirements, such as horsepower and fire fighting capability, would be based on specific criteria, such as calculated loads under various environmental and vessel load conditions. If FERC authorizes the Project, Broadwater would be required to conduct the analyses of tug requirements listed in Section 8.4.1 of the WSR (Appendix C of the final EIS) before obtaining the required additional authorizations from FERC. The final determination of the appropriate number of tugs for the Project would be based on that assessment and the Coast Guard's review of the assessment.

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SA7-40 ↑ an adverse course change potentially causing Zone 3 or Zone 2 to impact the Connecticut shore. As stated in the Coast Guard Report, "Escort tugs were considered to have moderate to significant impact on reducing risks associated with the consequences of a navigation safety accident".⁶⁷ The Coast Guard report doesn't make a definitive finding as to the number of tugs to escort the LNG Carrier as it enters the Long Island Sound suggesting further studies are required. However, the Coast Guard does state that the maximum number of tug boats the Coast Guard suggests to control the FSRU is four. Based upon the experience of the members of the Task Force and the information contained in the Coast Guard report, the Task Force determined that a minimum of four tug boats should escort the LNG supply vessel as it enters the Long Island Sound.

THE TASK FORCE RECOMMENDS:

The Coast Guard segmented the LNG supply transit route into eight waterways segments as follows:

- Territorial sea entry to Point Judith Pilot Station;
- Territorial sea entry to Montauk Point Pilot Station;
- Point Judith Pilot Station to The Race;
- Montauk Point Pilot Station to The Race;
- The Race;
- Eastern Long Island Sound;
- Central Long Island Sound;
- Western Long Island Sound.

SA7-41 [As a result, the Task Force strongly recommends that four tugs be used at all times when the LNG Carriers enter the Sound in order to provide the residents of Connecticut with the best preventative measure and to ensure that the hazard zones impact the Connecticut shoreline as minimally as possible. In addition, the extra tugboats would significantly reduce the risk of a navigation accident. Further, that until further analysis is performed by the Broadwater Project and, subsequently, approved by the Coast Guard, an additional four (4) tug boats must be always available to serve the FSRU. In addition the Task Force is requiring an additional 2 back up tugboats in the event they are needed. Therefore, the Broadwater Project will have 6 tugboats in the Broadwater fleet. Moreover, the on-shore facility must have berthing room for all 10 tugboats as opposed to the berthing area for 4 tugboats, as originally indicated.

SA7-41 Please see our response to comment SA7-40. If the number of tugs required exceeds the currently anticipated total and additional berthing room is needed to accommodate the additional tugs, Broadwater would be required to provide information on any additional facilities and to obtain the necessary environmental permits for the facilities.

⁶⁷ Coast Guard Report on the Broadwater Energy LNG Proposal at page 155

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CURRENTLY THE COAST GUARD FAILS TO HAVE THE ABILITY TO PROVIDE THE SECURITY AS REQUIRED BY ITS OWN REPORT:

The Coast Guard Report and the FERC DEIS firmly state that the Coast Guard will provide certain security protections around the LNG Carriers coming into the Long Island Sound. This Coast Guard security zone will have multiple functions: First, the Coast Guard flotilla will warn boaters and move boaters out of the way of the on-coming LNG Carriers; Second, the Coast Guard will control the traffic in the Race as the LNG Carriers maneuver through the Race; And, finally, the Coast Guard will provide the armed escort to ensure the safety of the LNG Carriers as they traverse the Long Island Sound.

The Coast Guard in its Water Suitability Report ("WSR") released on September 21, 2006, clearly states that it lacked the capabilities to provide the very protection that it is required by its own report. The Coast Guard states:

Based upon current levels of mission activity, Coast Guard Sector Long Island Sound currently does not have the resources required to implement the measures that have been identified as being necessary to effectively manage the potential risks to navigation safety and maritime security associated with the Broadwater Energy proposal." (WSR pp.156-157)

In essence, the Coast Guard's report on the safety and security of the Broadwater Project admits that the resources are not available to achieve the "mitigation of risk" as required by the WRS.

DEIS also points to the concern of the appropriate finances to affirm the security the Broadwater project requires:

FERC has received comments on this and other LNG terminal proposals expressing concern about the cost of applying additional security measures and the potential burden on local taxpayers. To meet its anticipated security responsibilities, the Coast Guard most likely would need to request additional resources through its internal resource reprogramming process for inclusion in future appropriations. Additional funding for state and local resources would be provided by Broadwater. In order to precisely determine the additional resources that would be necessary to provide the additional security to ensure safe transit of the LNG carriers, it would be necessary to develop and finalize the Operation and Emergency Manuals.⁶⁸

SA7-42

The Coast Guard's report clearly finds that these security measures are the required security measures to reduce or mitigate the security risks to acceptable levels in order to allow the Broadwater Project to operate in the Sound. Absent some showing that, in fact, the Coast Guard can unequivocally produce the required resources to protect the residents of Connecticut and New York, the Broadwater Project should not be

⁶⁸ DEIS Broadwater Project November 2006 pp. 3-221

SA7-42

As stated in Section 5.2.2.2 of the WSR (Appendix C of the final EIS), "46 U.S.C. § 70119 provides for state and local law enforcement agencies to enforce safety and security zones established by the Coast Guard." The Coast Guard is currently working with the states of New York and Connecticut to establish Memoranda of Agreement for this purpose.

Neither FERC nor the Coast Guard would allow operation of the Project until the appropriate safety and security measures are in place. If the Project receives initial authorization to proceed, Broadwater would work with federal, state, and local agencies to develop a Facility Security Plan (as outlined in 33 CFR 101-105) and a Facility Response Plan (as outlined in 33 CFR 154). Further, FERC would need to approve the Emergency Response Plan developed by Broadwater as described in Section 3.10.6 of the final EIS. Operation of the facility would not be authorized until these plans were completed and approved.

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SA7-42 ↑ approved for construction. There needs to be a clear showing that the risks can be solved and FERC should require the identification of the potential Coast Guard resources approving the DEIS.

THE TASK FORCE RECOMMENDS:

SA7-43 [Therefore this Task Force recommends the following:

- 1) Refer the matter back to the Coast Guard for a more definite finding that the resources are or can be made available within reason;
- 2) The Coast Guard needs to identify where these resources are coming from and that these resources can be relocated to the Long Island Sound area;
- 3) Irrevocably commit by way of a letter or an agreement these resources will be made available to this project for the length of time the project is operational;

SA7-44 [Obviously, the core of the Broadwater Project is the ability to ensure that the safety and security issues are resolved. In this case, there is a Coast Guard safety and security plan, which by all accounts, cannot be accomplished given the current resources of the Coast Guard. In order for FERC, which is the federal agency responsible to protect all citizens of the United States, to approve this project, it should require that the safety and security plan can be accomplished. As Attorney General Blumenthal stated at a public hearing, "faith" is not enough to approve the Broadwater Project.⁶⁹ FERC should not allow this project to go forward without some basis or finding of fact that the required measures of security can be accomplished. As a result, the DEIS should include the Task Force recommendation.

AIRPORT SECURITY:

In the March, 2006, Interim Task Force Report, the Task Force raised the issues of airports and airport security. The testimony from the Coast Guard at one of the informational hearings was any issues regarding aviation and the security of existing airports would not be the Coast Guard's jurisdiction. The Task Force was concerned over FERC's failure to mention any significant issues regarding the airports security or even the potential for a "no fly zone" around the FSRU. Further, there should be a no "fly zone" around the LNG Carrier, as well. Therefore, the Task Force, in response to the DEIS, has, again, raised the concerns of its original report of March, 2006, and makes the recommendations below.

⁶⁹ FERC Public Hearing in Branford, Connecticut, January 16, 2007.

SA7-43 As noted above, neither FERC nor the Coast Guard would allow operation of the Project until the appropriate safety and security measures are in place. If the Project receives initial authorization to proceed, Broadwater would work with federal, state, and local agencies to develop a Facility Security Plan (as outlined in 33 CFR 101-105) and a Facility Response Plan as outlined in 33 CFR 154. Further FERC would need to approve the Emergency Response Plan developed by Broadwater as described in Section 3.10.6 of the final EIS. Operation of the facility would not be authorized until these plans were completed and approved.

SA7-44 As described in Section 8.4 of the WSR (Appendix C of the final EIS), if FERC provides Broadwater with initial authorization for the Project, the Coast Guard would prepare a proposal to obtain additional personnel and equipment to implement its safety and security recommendations. If the needed resources are not available and properly funded, however, FERC and the Coast Guard would not allow the Project to go into operation.

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TASK FORCE RECOMMENDS:

The FSRU and its supply ships are in very close proximity to four small unassuming airports. These four airports are Tweed New Haven Airport in New Haven, Connecticut; Groton New London Airport in Groton, Connecticut; Macarthur Airport in Long Island, New York; and Islip Airport in Islip, New York. These airports are relatively small airports with little, if any, security. As a concern to the security at small airports, in 2005, at Danbury Airport, a small local airport, a drunken 20 year old man was able to steal a plane and fly it to New York without detection from authorities. Therefore, security risks at these small airports are a concern and need to be addressed. The Task Force makes the following initial recommendations:

1. A full report from the State Aviation Task Force on the security requirement with respect to the LNG.
2. Requirement of additional security at the three local airports including but not limited to 24 hour surveillance of the property, on site 24 hour protection.
3. The airport premises must be fenced in.
4. An analysis of existing security be done at each of the three airports which analysis is reviewed by local, State and Federal Homeland security branches who will then make recommendations for any, if any, upgrades with respect to the security issues.
5. A security plan and an emergency plan in place at all three airports dealing with the potential commandeering of a plane headed for the FSRU.
 - a) A security plan on the FSRU in the event a suspicious plane is heading towards the FSRU and a plan to notify the Coast Guard.
 - b) Notification to Federal and State Homeland Security offices of any suspicious plane activity.
 - c) Notification to all local emergency management teams.
6. A direct link with the local airports and the FAA, therefore, if a suspicious plane approaches defensive procedures can take place.
7. Any and all costs of the additional protection to be paid for by Broadwater.

SA7-45

SA7-45

As stated in both the WSR (Section 8.4.2; Appendix C of the final EIS) and the EIS (Section 3.5.2.2), if the Project is authorized by FERC, the Coast Guard would coordinate with the Transportation Safety Administration (TSA) and the Federal Aviation Administration (FAA) to determine what, if any, flight restrictions should be put in place for the FSRU or the LNG carriers. If the TSA and FAA determine that flight restrictions are appropriate, FERC would require that they be in place before operation of the Project is authorized.

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SA7-46

8. A “no fly zone” around the FSRU and the LNG Carrier of no less than 10 miles but the Task Force suggests a 20 mile “no fly zone” around the FSRU and the LNG Carrier.

EMERGENCY PLAN:

The Emergency Plan, as proposed in the Coast Guard report and in the DEIS has multiple parts: 1) the overall emergency response plan; 2) the cost associated with that emergency plan; and 3) the jurisdictional issues concerning the various participants in the plan.

The Task Force agrees with the Coast Guard that any emergency plan and/or emergency response should be developed through a transparent, public process that actively involves the U.S. Coast Guard and appropriate agencies and key officials of state and local governments. Although the proposed FSRU would be located in New York state waters, due to its close proximity to the border with the state of Connecticut, and because LNG carriers supplying the FSRU may also regularly enter the state waters of both Rhode Island and Connecticut, officials from all three states should be involved in the planning process.⁷⁰

It is critical that Connecticut is a part of any emergency plan. It would be gross injustice and, in fact, a potential catastrophe if any emergency plan was not a coordinated multi-town and multi-state response to any potential adverse consequence which could result. Another lesson we learned in the 9-11 attack was that the lack of communications between agencies, various law enforcement as well as other emergency services providers resulted in severe adverse consequences. Co-ordination among and between various public and private agencies will provide the ultimate security for the Broadwater Project and the ultimate protection for New York and Connecticut residents. The applicant, Broadwater, does not share the same view as the Task Force concerning an emergency plan being coordinated between the various local and State agencies. The Broadwater Project has indicated that it believes it does not need any assistance from local emergency service providers in order to effectuate an emergency plan.⁷¹ The above statement demonstrates the Broadwater Project’s lack of understanding of emergency procedures based upon different scenarios as well as the Broadwater Project’s lack of understanding of the responsibility government has to its people. The Task Force believes the Broadwater Project’s position is self-serving because it is fearful it will be unable to satisfy the legitimate concerns of New York and Connecticut in the structure and implementation of any emergency plan. As the Coast Guard correctly states, “local emergency response officials from all three states whose jurisdictions may be affected by a release of LNG and potential fire should also be involved throughout the planning process.”⁷²

⁷⁰ Coast Guard Report on the Broadwater Energy LNG Proposal at page 152-153

⁷¹ Coast Guard Report on the Broadwater Energy LNG Proposal at page 153

⁷² Coast Guard Report on the Broadwater Energy LNG Proposal at page 153

SA7-46 Please see our response to comment SA7-45.

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THE TASK FORCE RECOMMENDS:

The actual details of the plan should be discussed in an open process in all three states allowing for all those involved to participate and give their input. Public hearings should be scheduled in each municipality or township directly involved in the emergency plan. The emergency plan should include, among other items:

- 1) Identifying technical capabilities of first responders;
- 2) Identifying the required apparatus to implement the plan;
- 3) Ensuring that the proper apparatus is provided;
- 4) The number of workers required to implement the plan;
- 5) A breakdown of each situation and which agency will be the first provider;
- 6) A division of responsibility;
- 7) Order of command;
- 8) Reporting policies;
- 9) A plan for procedures given certain potential risks;
- 10) Identify potential gaps in any given risk;
- 11) Training as required for all identified responders;
- 12) A reporting process of any event and the procedure to remedy that event;
- 13) Yearly review of the emergency plans;
- 14) Public dissention of the plan including various hearings to describe the emergency plan in detail;
- 15) Filing of the plan with the State and in the local municipalities.

SA7-47

SA7-48

Above are only a few of the multitude requirements of the plan. This emergency plan should be coordinated by the Broadwater Project; however, the plan should be approved by New York, Connecticut and Rhode Island and their agencies before being approved by the Coast Guard and then approved by FERC. FERC must require that there is a showing by the Broadwater Project that the three States can agree on an emergency plan and that the emergency plan can be managed by all the three States. If, in fact, the above requirement cannot be achieved, the Broadwater Project should be rejected.

SA7-49

Although FERC discusses the emergency plan and the various requirements for the same, the report is not clear if Connecticut will have a part in that process.⁷³ For the obvious reasons as stated in the report, Connecticut must be included in all meetings regarding the structure and operation of the emergency plan. The final report from FERC should be clear that Connecticut through its local government and the appropriate agencies will have an active and distinct role in the implementation of any emergency plan.

⁷³ FREC Draft Environmental Impact, Statement Broadwater LNG Project November 2006 page 3-228

SA7-47

Broadwater would be required to develop an Emergency Response Plan as described in Section 3.10.6 of the final EIS. The Emergency Response Plan would be discussed in an open process, to the extent that discussions of Sensitive Security Information allows, in New York, Connecticut, and Rhode Island. If the plan is not sufficient or if either FERC or the Coast Guard has additional concerns about safety or security, Broadwater would not be authorized to initiate construction.

SA7-48

Please see our response to comment SA7-47.

SA7-49

The EIS incorporates the Coast Guard's WSR (Appendix C of the final EIS). The WSR identifies Connecticut as a state that should be included in the Emergency Response Plan development process, as described in Section 3.10.6 of the final EIS.

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The Cost:

SA7-50 [

The WSR report suggests a "cost sharing" approach to the emergency response plan required by FERC.⁷⁴ The Task Force takes the position that all costs associated with the Broadwater Project should be born by the Broadwater Project. The FERC report states:

Section 311 of the EPA of 2005 specifies that the Emergency Response Plan shall include a Cost-Sharing Plan that contains a description of any direct cost reimbursements the applicant agrees to provide to any state and local agencies with responsibility for security and safety at the LNG terminal and in proximity to vessels that serve the facility. To allow the FERC an opportunity to review the plan, we recommend that:

The Emergency Response Plan should include a Cost-Sharing Plan identifying the mechanisms for funding all Project-specific security/emergency management costs that would be imposed on state and local agencies. In addition to the funding of direct transit-related security/emergency management costs, this comprehensive plan should include funding mechanisms for the capital costs associated with any necessary security/emergency management equipment and personnel base. The Cost-Sharing Plan should be filed with the Secretary for review and written approval by the Director of OEP prior to keel laying or any other Project-related construction activity.⁷⁵

The potential security costs are a major concern for the Task Force and could be catastrophic for the State and/or municipality. These costs are substantial. Further, these costs will be born by the public, at the very least, at the federal government level. The above fact is reflected in a CRS report which States:

Securing tanker shipments against terrorist attacks may be the most significant public expense associated with LNG. CRS has estimated the public costs of security for an LNG delivery to the Everett terminal to be on the order of \$80,000, excluding costs incurred by the terminal owner. If LNG imports increase as projected, the number of vessels calling at LNG terminals serving the United States would increase from 99 (0.17 Tcf) in 2002 to over 2300 (4.13 Tcf) in 2005. At current levels of protection, marine security costs would then be in the range of \$46 million to \$92 million annually. Recognizing the added security needs associated with the LNG trade, the Coast Guard's FY2006 budget includes an additional \$11 million in general maritime security funding over the 2005 levels. These resources are for small response boats and associated crew to increase the Coast Guard's operational presence and response posture, enforce security and safety zones, and escort LNG tankers and other high interest vessels.⁷⁶

⁷⁴ Coast Guard Report on the Broadwater Energy LNG Proposal at page 154

⁷⁵ FERC Draft Environmental Impact, Statement Broadwater LNG Project November 2006 page 3-228

⁷⁶ CRS Report for Congress entitled "Liquefied Natural Gas (LNG) in U. S. Energy Policy: Infrastructure and Market Issues", updated January 31, 2006.

SA7-50

As described in Section 3.10.6 of the final EIS, Broadwater must prepare an Emergency Response Plan that includes a Cost-Sharing Plan. If funding agreements cannot be developed to the satisfaction of the participating agencies and Broadwater, FERC would not approve the plan and would not authorize Project construction.

SA7 - Long Island Sound LNG Task Force

Obviously, the added funding is well below the projected security costs levels. And, therefore, the Task Force's position to require that any additional costs for safety and securities must be paid for by the Broadwater Project.

TASK FORCE RECOMMENDATION:

The State of Connecticut as well as municipalities cannot afford the burden of increased costs associated with the protection of the Broadwater Project. Therefore, Task Force agrees with FERC and recommends that all municipal costs and state costs associated, in any manner with the safety and security of the Broadwater Project must be born by the Broadwater Project. Broadwater has made it clear to this Task Force that they accept said burden. This cost would include all equipment required by municipalities to purchase after advice from the Coast Guard and Homeland Security either State or Federal; administrative soft costs, municipal costs including any suggested equipment upgrades, cost of additional personnel or other associated costs. The Task Force further suggests to FERC that the DEIS Report must eliminate the term "cost sharing" or "cost sharing plan" and affirmatively indicate that the Broadwater Project has agreed to pay these costs.

SA7-51

SA7-51 Please see our response to comment SA7-50. Section 3.6.6.2 of the final EIS presents an assessment of the expected changes in local government revenue associated with construction and operation of the Project.

JURISDICTION:

CONCURRENT LEGISLATION IS REQUIRED IN ORDER TO ENSURE PROTECTION OF THE FSRU CARRIERS:

The Coast Guard report requires a security zone around the FSRU. This security zone is as follows:

SA7-52

The Coast Guard also states that this security zone will be enforced, around the FSRU, with either State or local security agencies. The Coast Guard also suggested that this security zone may, in fact, be patrolled by a private company hired by the Broadwater Project. This security zone inherently creates significant problems and will impair the ability to ensure the safety and security of the FSRU for all parties.

SA7-52 If the Project receives initial authorization to proceed, Broadwater would work with federal, state, and local agencies to develop a Facility Security Plan (as outlined in 33 CFR 101-105) and a Facility Response Plan (as outlined in 33 CFR 154). Further, FERC would need to approve the Emergency Response Plan developed by Broadwater as described in Section 3.10.6 of the final EIS. Operation of the facility would not be authorized until these plans were completed and approved.

SA7-53

In order for the State or local authority to patrol the security zone, there needs to be reciprocal legislation which allows Connecticut law enforcement officers to arrest in New York and New York law enforcement officers to arrest in Connecticut. Currently, no arrest reciprocity occurs between New York and Connecticut. Therefore, in order to truly effectuate a security zone, legislation in both the State of New York and in the State of Connecticut must be introduced and passed. Currently, at the time of this report no legislation is being prepared for this session in Connecticut. Absent such reciprocal legislation, there is no method in which to adequately enforce the security zone by the utilization of State or local law enforcement personnel. Reciprocal law enforcement

SA7-53 The Coast Guard is developing Memoranda of Understanding between the Coast Guard and the states of Connecticut and New York. These agreements would cover both jurisdictional concerns and use of force. Further, the Coast Guard has developed what it believes would be the final shape and size of the proposed safety and security zones. Final establishment of the zones would be completed using the Notice of Proposed Rule Making process, which is subject to public review and comment.

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SA7-53 legislation allowing States to enforce certain laws across the State lines has been passed before. In cases of emergencies, the New England States (New York is not part of this legislation) have an agreement codified as NESPAC, which allows for reciprocity given in certain emergencies. And, after 9-11, the Governors of New York and Connecticut signed an executive order allowing for each State to have powers of arrest in each others States while they ride the trains which traversed between Connecticut and New York. As a result, the security zone required by the Coast Guard will be ineffectual without proper legislation as described above. Therefore, FERC must postpone its final approvals until such legislation is passed because without such legislation there is practical way for either Connecticut or New York to enforce the security zone.

SA7-54 The second option of protection for the FSRU security zone, as expressed by the Coast Guard, is to use a private contracting firm to protect the security zone around the FSRU. However, this option also raises concerns. It is the understanding of the Task Force that New York does have a statutory provision which would allow a private company to guard the FSRU by patrolling a security zone. However, Connecticut lacks the granting of such authority to a private company on State waters. Therefore, legislation would be needed in Connecticut to grant such authority to a private contractor. In addition, legislation in both the State of New York and the State of Connecticut will be required to allow these private entities to enforce certain police powers in both the State of New York and Connecticut, respectively.

SA7-54 Section 5.2.2.2 of the WSR (Appendix C of the final EIS) states that private security may be used on water patrols to prevent unauthorized access to the FSRU. However, enforcement of the safety and security zone is a law enforcement function that is the responsibility of the Coast Guard and cannot be delegated to a private entity. Although private security may use on-water patrols to prevent access to the FSRU, those patrols would have no authority to enforce the safety and security zone.

The Coast Guard also recognized this issue in their report:

It is clear that the Coast Guard, subject to the provisions of the National Response Plan, is the lead Federal agency responsible for maritime security related to Broadwater Energy's proposal to build and operate an FSRU for the import of LNG. However, there appears to be a lack of clarity regarding the authority of county and local agencies with responsibilities related to maritime security, including law enforcement and emergency response at the intended location of the FSRU. This is due in part to the fact that typically a state's jurisdiction extends 3 miles seaward. Long Island Sound is internal waters of the US and thus all falls within state waters extending state jurisdiction as much as 9 or 10 miles from shore at the widest portion of the Sound, which is near the proposed location of the FSRU. Local authorities do not currently routinely operate at those distances from shore. This uncertainty is an obstacle that would need to be addressed in order to establish a seamless security protocol for the proposed FSRU.⁷⁷

TASK FORCE RECCOMENDS:

The security zone cannot not be enforced absent the legislation, as stated above, being passed in New York and in Connecticut. Therefore, the Task Force recommends

⁷⁷ Coast Guard Report on the Broadwater Energy LNG Proposal at page 141-142

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SA7-55 [that FERC doesn't grant final approval to start construction until the above legislation has been approved.

CONCLUSION:

The Task Force is disappointed that FERC refused the Task Force's request for additional time to draft this report. The limited resources coupled with a time crunch didn't allow the Task Force the ability to examine in more in depth the Broadwater Project. Nevertheless, the Task Force members worked hard to achieve this report. The Task Force does expect to issue a final report as the Broadwater application continues.

SA7-56 [The Task Force strongly recommends that FERC postpones its final decision on the DEIS until further information from the Broadwater Project is filed in accordance with Phase I of their report.

SA7-57 [In the event that FERC disagrees with the above, then the Task Force recommends that FERC accept all the recommendations that the Task Force recommends in Phase II of this report. In addition, the Task Force endorses those recommendation which were already offered in the DEIS report and request that those recommendations are also accepted.

The Task Force would like to thank Governor Reil for her insight in establishing this Task Force to protect the residents of the State of Connecticut. Absent the hard work by the Task Force members, it would be questionable whether Connecticut would have a voice in the siting of the Broadwater Project. As per Governor Reil's Executive Order, this Task Force will continue to protect the interest of Connecticut residents throughout the application process.

The Co-Chairs would like to thank the members of our Task Force for their participation and hard work to date. The members have continuously appeared at all of our meetings, as well as at the various public hearings, which helped to form the issues as indicated in this report.

Finally, the Task Force would like to thank FERC for meeting with us and offering to meet again as this process continues. In addition, the Task Force appreciates the various public hearings held by FERC in Connecticut. The Task Force would like to express a hearty thank you to Captain Boynton and his staff for the professionalism that they have shown throughout this process. The Coast Guard, and particularly Captain Boynton, has held a number of public hearings and attended virtually all of our Task Force meetings. His participation has gone a long way to comfort many concerns of the Task Force. The Task Force would also like to thank the people at Broadwater for responding to the questions we posed and for making themselves available to the Task. In addition, their experts have always been willing to engage in conversation regarding the issues.

SA7-55 Please see our responses to comments SA7-53 and SA7-54

SA7-56 Please see our responses to the comments provided throughout this letter.

SA7-57 Please see our responses to the comments provided throughout this letter.

SA8 - State of Connecticut Department of Environmental Protection

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Gina McCarthy
Commissioner

STATE OF CONNECTICUT
DEPARTMENT OF ENVIRONMENTAL PROTECTION

79 ELM STREET HARTFORD, CT 06106-5127

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ORIGINAL

September 20, 2007

2007 OCT - 2 P 2:47
STATE OF CONNECTICUT
DEPARTMENT OF ENVIRONMENTAL PROTECTION
SECRETARY

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street NE, Room 1A
Washington, DC 20426

RE: Broadwater Energy, LLC and Broadwater Pipeline, LLC Applications
Docket No. CP06-54 et al.

Dear Ms. Bose:

I am writing with regard to the September 5, 2007 response of Broadwater Energy LLC and Broadwater Pipeline LLC (collectively, "Broadwater") to FERC's Environmental Information Request No. EIR-7-2 regarding dredged material disposal. In its response, Broadwater states that any dredged material resulting from work associated with the interconnection between its proposed pipeline and the existing Iroquois pipeline will be managed in accordance with applicable statutory and regulatory standards.

In its discussion of those standards, Broadwater indicates that it will need to obtain a water quality certificate pursuant to §401 of the Clean Water Act from the New York State Department of Environmental Conservation in order to obtain authorization from the U.S. Army Corps of Engineers (Corps) to conduct dredging operations. While this understanding is correct as far as it goes, Broadwater also indicates that it may dispose of the dredged material at the EPA-designated Central Long Island Sound (CLIS) and Western Long Island Sound (WLIS) disposal sites. Please be advised that both these disposal sites are located within the waters of the State of Connecticut, and that disposal of dredged material at either of the sites will require a §401 water quality certificate from this Department as well as appropriate authorization from State of New York agencies.

In addition, the Final Rule designating the CLIS and WLIS sites (40 CFR 228.15(b)(4) Designation for Central and Western Long Island Sound Dredged Material Disposal Sites) requires projects subject to the Rule that propose disposal at the designated sites to submit the proposal to the Regional Dredging Team for review of the sediment management alternatives considered. The Corps of Engineers cannot issue a permit under §103 of the Marine Protection, Research and Sanctuaries Act for disposal at WLIS or CLIS without concurrence of the RDT that open water disposal is the only practicable alternative.

Thank you for your cooperation in clarifying this matter. If you have any questions concerning this letter or other matters involving the Broadwater project, please contact Brian Thompson, Director of the Department's Office of Long Island Sound Programs at (860) 424-3650.

Yours truly,

Gina McCarthy
Commissioner
Department of Environmental Protection

GM/gw

cc: Brett A. Snyder, Esq., LeBoeuf, Lamb, Greene & MacRae LLP -
Broadwater Energy
FERC Gas Branch 3, 1002E
David Kennedy, NOAA OCRM
Captain Dan Roan, COTP Long Island Sound, USCG
U.S. Army Corps of Engineers
George Stafford, New York CZM
Attorney General Richard Blumenthal

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SA8-1 Thank you for this information. We have revised Section 3.5.7.1 accordingly.

Note: We also received a letter from Commissioner McCarthy on April 24, 2007. Chairman Kelliher provided a response to this letter dated May 30, 2007.

SA8-1