





# **Project Update**

The newsletter is intended to provide Jordan Cove Energy Project information about the proposed Jordan Cove Energy LNG terminal and the Pacific Connector Gas Pipeline project to affected

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Pacific Connector GAS PIPELINE

# Jordan Cove – Pacific Connector **Project Update**

Second Quarter 2009

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### FERC issues FEIS for the project

On May 1, 2009, the Federal Energy Regulatory Commission (FERC) issued the Final Environmental Impact Statement (FEIS) for the Jordan Cove – Pacific Connector project. For the past three years, we have worked closely with federal, state and local agencies as well as landowners to address environmental and landowner concerns.

The FEIS includes responses to comments received during the public comment period and analyzes the potential environmental impact of the project as well as the mitigation efforts required to offset any impacts. The FEIS for Jordan Cove -Pacific Connector is available online at www.ferc.gov. The FERC docket numbers for the JCEP/PCGP projects are CP07-444-000 and CP07-441-000, respectively. Copies of the FEIS will be available at libraries in Coos, Douglas, Jackson and Klamath counties.

The next step in the process will be for the FERC to issue a Certificate of Public Convenience and Necessity for the project. That decision is expected this summer. With issuance of the certificate, the project can move forward in finalizing permitting and project design prior to construction.

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## U.S. Coast Guard issues recommendation to FERC for the Jordan Cove LNG terminal

On April 24, 2009, the U.S. Coast Guard issued a Letter of Recommendation to the FERC affirming the suitability of the Coos Bay navigational channel to handle liquefied natural gas (LNG) vessels destined for the Jordan Cove LNG terminal

#### Oregon Department of Energy and Jordan Cove Energy Project sign security and safety agreement

The Oregon Department of Energy (ODOE) and Jordan Cove Energy have signed a landmark agreement establishing the company's commitments to state, county and other agencies for security and safety on its proposed liquefied natural gas terminal in Coos Bay.

Four years in the making, the memorandum of understanding is the first of its kind for an LNG facility in Oregon. It outlines the resources and financial support that Jordan Cove will provide to public agencies for safety and security services related to the LNG terminal.

The agreement also specifies Jordan Cove's financial commitments to ensure that the terminal complies with state standards to mitigate greenhouse gases and eventually to retire the facility. While the Oregon Energy Facilities Siting Council (OEFSC) imposes such standards on other energy facilities, these same standards cannot be unilaterally imposed on federally regulated facilities such as LNG terminals. In the agreement, Jordan Cove voluntarily has agreed to comply with OEFSC equivalent standards.

Under the agreement, Jordan Cove, ODOE, Coos County and local emergency response agencies have defined the upgrades to existing safety and security programs and facilities needed to meet standards associated with the LNG

#### We will continue to meet and listen

We will continue to meet with landowners, government and regulatory officials, and other stakeholders about the proposed project. We are happy to consider pipeline route suggestions and alternatives proposed by landowners. Ultimately, the FERC has the jurisdiction to determine the final route.

terminal. Jordan Cove will provide personnel, training and capital investments to ensure these resources are operational prior to the start of terminal operations.

Jordan Cove's commitments include fully funding more than 38 new full-time positions at various state, Coos County, North Bend, Coos Bay and North Bay agencies. The agreement also specifies that Jordan Cove will conduct public-education outreach; mitigate the effects of its carbon footprint; and return the site to its pre-construction condition when the terminal is retired.

## The proposed project would provide a new source of natural gas and jobs

The Jordan Cove – Pacific Connector project will bring a new, badly needed source of natural gas to southwest Oregon and the surrounding region. The project consists of the Jordan Cove Energy LNG terminal in Coos Bay and the Pacific Connector Gas Pipeline, which will extend 234 miles to Malin, near Klamath Falls. Together, the terminal and pipeline will create hundreds of new jobs and millions of dollars in economic benefits. The project will also expand the region's natural gas supply, which will stabilize prices for consumers and attract new industry.

#### Need for the project

Oregon now imports approximately 80 percent of its natural gas from Canada, a situation that can't be sustained because Canada and the eastern U.S. are consuming a greater share of Canadian natural gas production. The Canadian National Energy Board has projected that net exports out of Canada may drop to zero by 2030. In the meantime, Oregon's need for natural gas is increasing as the state's population and economy grow. In addition, wind, solar and other renewable energy sources are requiring more firm power to balance the times when the wind doesn't blow and the sun doesn't shine. This new firm power need is best filled by natural gas, the cleanest-burning fossil fuel.

#### An economic boost for Coos Bay and southwest Oregon

The project will provide an economic boost for southwest Oregon during construction and after completion of the project. Financed with a \$2.5 billion investment of private capital, the project offers numerous economic benefits.



During the three and one-half years of construction, the LNG terminal will employ an average of 450 people. During the two-year construction period for the proposed pipeline, Pacific Connector will employ an average of 1,400 people. Once operational, the terminal will employ approximately 60 people, plus pay for another 60 permanent jobs for police, fire and shipping personnel. A 2006 study by ECONorthwest, an economic consulting firm, analyzed the project's contributions to Oregon. The study estimated that nearly 1,200 jobs concentrated in Coos County and southwest Oregon would be directly and indirectly generated once the project is complete and in operation.

#### Progressing toward approval

Throughout its development the project has been committed to working with local, state and federal agencies to ensure the terminal and pipeline become the best possible project for Oregon. The terminal and pipeline are now proceeding through the federal approval process, under the authority of the FERC.

Construction of the LNG terminal in Coos Bay will take approximately 42 months to complete, and the pipeline will be constructed over a two-year period. After construction, the disturbed land along the pipeline will be restored as closely as possible to its original appearance and use, with some restrictions on future building and timber production within the narrow right of way.



#### **Milestones**

FERC issued Final Environmental Impact Statement	May 2009
Project receives FERC Certificate	Summer 2009
Construction begins on the LNG terminal	Planned for 3rd quarter 2010
Construction begins on the pipeline	Planned for 2nd quarter 2012
In-service for LNG terminal and pipeline	Planned for 1st quarter 2014