UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105

June 18, 2007

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

Subject: Draft Environmental Impact Statement for the Phoenix Expansion Project, FERC Docket No. PF06-4-000, (CEQ# 20070171)

The U.S. Environmental Protection Agency (EPA) has reviewed the above-referenced document pursuant to the National Environmental Policy Act (NEPA), Council on Environmental Quality (CEQ) regulations (40 CFR Parts 1500-1508), and our NEPA review authority under Section 309 of the Clean Air Act.

EPA supports the proposed project and its alignment, provided the project is constructed and operated in accordance with applicable laws, regulations, and proposed mitigation measures. EPA agrees with the Federal Energy Regulatory Commission (FERC) and Agency Staffs' conclusion that the proposed Transwestern Pipeline Company (Transwestern) alignment would result in fewer adverse environmental impacts than the North and South Buckeye alternatives. The Buckeye Alternatives would be approximately 19 miles longer, require 220 more acres of construction right-of-way (ROW), and 115 more acres of permanent ROW compared to the corresponding Transwestern alignment (p. 3-13). Additional construction emissions caused by a longer pipeline would be a significant adverse impact, especially in Maricopa County which is in nonattainment of national air quality standards for ozone and particulate matter.

While we agree that the proposed pipeline alignment may have fewer adverse environmental impacts than other alignments, we remain concerned with potential cumulative impacts to sensitive wetland, riparian, and special status species resources, and to Maricopa County air quality. Our concern is heightened given the many proposed transportation, utility and commercial/residential development projects in the region. Due to these concerns, we have rated the Draft Environmental Impact Statement (DEIS) as EC-2, Environmental Concerns – Insufficient Information (see enclosed "*Summary of Rating Definitions*").

We have provided recommendations to improve the quality of the information in the document and to further reduce environmental impacts (see enclosed "EPA Detailed Comments"). In summary, our primary recommendations are to: 1) fully analyze alternative pipeline options in the FEIS, 2) identify, and commit to, opportunities for

minimizing cumulative impacts, and 3) identify, and commit to, opportunities for minimizing air quality impacts.

We appreciate the opportunity to review this DEIS. When the FEIS is released for public review, please send one (1) hard copy and two (2) CD ROMs to the address above (mail code: CED-2). If you have any questions, please contact me at (415) 972-3846 or Laura Fujii, the lead reviewer for this project, at (415) 972-3852 or fujii.laura@epa.gov.

Sincerely,

/s/ by Laura Fujii for

Nova Blazej, Manager
Environmental Review Office

Enclosure: Summary of EPA Rating Definitions
EPA's Detailed Comments

cc: Mark Mackiewicz, Bureau of Land Management
Tom Mutz, U.S. Forest Service, Kaibab National Forest
Ken Simeral, U.S. Forest Service, Prescott National Forest
John Pepper, U.S. Department of Transportation, Office of Pipeline Safety
Harrilene Yazzi, Navajo Area Office, Bureau of Indian Affairs
Amy Heuslein, Phoenix Area Office, Bureau of Indian Affairs
Ron Maldonado, Navajo Nation
Daisy Eldridge, U.S. Army Corps of Engineers, Los Angeles District
Deanna Cummings, U.S. Army Corps of Engineers, Albuquerque District

Pipeline Alignment Alternatives

EPA agrees that the proposed alignment alternative will result in fewer adverse environmental impacts than the North and South Buckeye Alternatives put forth by Pulte Homes, Stardust-Tartesso and the Town of Buckeye. The proposed Transwestern Pipeline Company (Transwestern) alignment would avoid crossing 50.8 acres of Bureau of Land Management (BLM)-managed land as compared to 0.2 acres of avoidance under the Buckeye alternatives (p. 3-13).

The Buckeye alternatives were proposed to minimize impacts to planned development in the Buckeye Valley. Please note that there is a degree of uncertainty of impacts from this project to planned development. Many of the developments are in the planning phase and have not secured all of their permits and may be subject to change. For example, several of the developments subject to possible impacts from the pipeline have yet to obtain Clean Water Act (CWA) Section 404 dredge and fill permit authorization from the U.S. Army Corps of Engineers (e.g., Desert Creek, Belmont, and several planning areas of the Douglas Ranch development). Thus, the land use plans associated with these developments may be subject to change to comply with the regulatory requirements pursuant to the CWA 404(b)(1) Guidelines.

Similarly, we understand a developer of the Festival Ranch subdivision located along Sun Valley Parkway in Buckeye, has urged the Federal Energy Regulatory Commission (FERC) to place the pipeline in an alternate alignment other than the one proposed by Transwestern.[1] Because Festival Ranch development is currently the subject of litigation before the Ninth Circuit Court of Appeals, White Tank Concerned Citizens v. Strock, for failure to adequately analyze environmental impacts, changes may be required to the land use plans for this development.

Recommendations:

FERC requests that refinement of the Transwestern alignment be completed before construction begins (Chapter 5). EPA supports this recommendation and further recommends that the Final EIS (FEIS) describe and evaluate the final pipeline alignment options, including the Waste Management Arizona Variation and Pinal County El Paso Natural Gas Company Collocation Variation requested by FERC (p. ES-6).

The FEIS should also acknowledge that many of the of the developments potentially impacted by the pipeline have yet to obtain final permits. The land use plans associated with these developments may be subject to change. Thus, the impacts from the proposed project may also change.

[1] *See* 10,000 West, LLC's June 6, 2006 letter to Kimberly Rose, FERC.

Cumulative Impacts

EPA is concerned with potential cumulative impacts to sensitive wetland, riparian and special status species resources, and to Maricopa County air quality. For instance, the DEIS states that the project would likely adversely affect the federally-listed Colorado pikeminnow, razorback sucker, and spikedace. Several projects, including transportation and housing developments are planned in the vicinity of the project and may be constructed within the same time frame (p. 4-210). Thus, cumulative impacts on special status species could occur (p. 4-210). Our concern is heightened given the many proposed transportation, utility and commercial/residential development projects and broad landscape-level change occurring in the region.

> **Recommendation**:
> We recommend the FEIS briefly describe and acknowledge the broad landscape-level change occurring in the region. The FEIS should describe how the project will minimize the spatial and temporal cumulative impacts of the proposed project, including how the project will coordinate with other proposed projects to minimize cumulative environmental impacts through project modifications. The FEIS should also identify measures to avoid and minimize simultaneous construction of multiple projects within the habitats of federally listed and sensitive species and within the Maricopa County nonattainment air basin.

Air Quality

Energy Content of the Imported Natural Gas. The DEIS does not appear to describe or analyze the energy content of the imported natural gas. Natural gas with a higher Wobbe Index has the potential to increase nitrogen oxides (NOx), carbon monoxide (CO), and unburned hydrocarbon emissions. The burning of increased quantities of high Wobbe Index natural gas in the Phoenix region could substantially increase emissions of NOx, CO, and fine particulate matter (PM2.5), making attainment of the federal air quality standards more difficult to meet.

> **Recommendation:**
> We recommend the FEIS describe the composition, quality, and British Thermal Unit (BTU) content of the imported natural gas and include a discussion of the current BTU content normally found in Phoenix's natural gas supply. The discussion should describe existing natural gas specifications and current efforts, if any, to revise those specifications in response to air quality planning efforts or industry improvements.
>
> If applicable, the FEIS should discuss the potential impacts of increasing the BTU content of the gas supply. We recommend the FEIS state whether Transwestern has made a commitment to provide a supply of natural gas within a specific quality range. If not, one option is to require that the natural gas meet, within some reasonable level of variability, the quality of natural gas currently flowing in the existing natural gas transmission pipeline system.

Off-Road and Off-Highway Vehicle (OHV) Use. EPA is concerned with the generation of particulate matter (PM10 and PM 2.5) associated with off-road use of trucks and construction equipment and recreational off-highway vehicle (OHV) traffic which may occur on the project right-of-way (ROW). To reduce the potential for interference between pipeline construction activities and OHV users and inappropriate OHV use of the pipeline right-of-way, Transwestern is working with BLM and the Forest Service to develop an access management plan (p. 5-22). Transwestern would conduct emergency and periodic maintenance. Particulate matter emissions could be generated as a result of maintenance activities, off-road use, and recreational OHV use.

Recommendation:
EPA recommends that the access management plan include the following: 1) agency or agencies responsible for implementation and enforcement of the access plan; 2) frequency of monitoring; 3) methodology for reassessing the implemented measures in the future; and 4) enforcement measures.

Construction equipment emissions. Project emissions would be from pipeline construction and associated equipment. Most of the construction equipment would be powered by diesel engine equipment with typical control equipment. Transwestern would also implement other management practices to minimize emissions. Despite these measures, the estimated emissions of NOx, a precursor of ozone, in the ozone nonattainment area in Maricopa County would exceed the general conformity threshold of 100 tons per year (tpy) by 4.4 tpy (pps. 4-182 to 4-183).

Recommendation:
We recommend the FEIS evaluate and, if feasible, commit to the following emission control measures in a Construction Emissions Control Plan.:

- Reduce use, trips, and unnecessary idling from heavy equipment.
- Maintain and tune engines per manufacturer's specifications to perform at EPA certification levels and to perform at verified standards applicable to retrofit technologies. Employ periodic, unscheduled inspections to limit unnecessary idling and to ensure that construction equipment is properly maintained, tuned, and modified consistent with established specifications.
- Prohibit any tampering with engines and require continuing adherence to manufacturers recommendations.
- Require that leased equipment be 1996 model or newer unless cost exceeds 110 percent or average lease cost. Require 75 percent or more of total horsepower of owned equipment to be used be 1996 or newer models. If practicable, lease newer and cleaner equipment meeting the most stringent of applicable Federal or State Standards (see table: http://arb.ca.gov/msprog/ordiesel/documents/Off-Road%20Diesel%20Stds.xls). In general, only Tier 2 or newer engines should be employed in the construction phase, given the scale of the construction project and the high background levels of pollutants in the area.
- Utilize EPA-registered particulate traps and other appropriate controls where suitable to reduce emissions of diesel particulate matter and other pollutants at the construction site.

We recommend the FEIS describe the specific on-road and off-road air emission control measures that will be implemented for this project.

General Conformity. Project facilities would be constructed in portions of Maricopa County designated as non-attainment for ozone and particulate matter. Project analysis indicates that construction emissions would exceed general conformity thresholds for NOx emissions, requiring a general conformity determination (p. 4-180). FERC has requested Transwestern provide documentation addressing general conformity requirements that will enable FERC to make a Final General Conformity Determination (Section 4.10.1 and Appendix Q, p. Q-5).

Recommendation:
We recommend that FERC issue a final General Conformity Determination after an affirmative finding of conformity can be made consistent with the 40 CFR Part 93 requirements. We recommend that this final General Conformity Determination be included in the Final EIS.

Mitigation Measures

The DEIS describes a number of mitigation measures proposed by Transwestern and recommended by FERC and the Agency Staffs. Many of these measures are being refined during the Draft EIS comment period (FERC Staff's Recommended Mitigation, pps. 5-17 to 5-23).

Recommendation:
We recommend the FEIS include the final mitigation measures with a description of implementation and enforcement measures. We recommend an evaluation of the effectiveness of these measures and their ability to avoid and minimize environmental impacts. For example, include as appendices the final OHV Access Management Plan, Dust Control Plan, Section 7 Biological Opinion, Migratory Bird Protection Plan, Wetland and Waterbody Construction and Mitigation Procedures, and Restoration Plan.

General Comments

Transwestern's Wetland and Waterbody Construction and Mitigation Procedures restricts the storage of equipment and materials within 100 feet of a wetland boundary, location of extra work areas within 50 feet of the water's edge, and requires at least 15 feet of undisturbed vegetation between a parallel waterbody and the construction ROW (Appendix G). These buffer zones appear small, especially given the potential for flash floods along ephemeral washes.

Recommendation:
We recommend consideration and evaluation of larger buffer zones between the ROW and sensitive resources and waterbodies.