

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

OFFICE OF ENERGY PROJECTS

In Reply Refer To:  
OEP/DG2E/Gas 3  
Bradwood Landing LLC  
NorthernStar Energy LLC  
CP06-365-000 and CP06-366-000

April 4, 2008

Mr. Scott Derickson, Clatsop County Manager  
Clatsop County Board of Commissioners  
800 Exchange Street, Suite 310  
Astoria, OR 97103

Mr. E. Andrew Jordan  
Jordan Schrader Ramis PC  
P.O Box 230669  
Portland, OR 97281

Dear Messrs. Derickson and Jordan:

I am writing in response to your November 12, 2007 and February 22, 2008 letters, respectively, to the Federal Energy Regulatory Commission on behalf of the Clatsop County Board of Commissioners regarding the Bradwood Landing Project, proposed by Bradwood Landing LLC and NorthernStar Energy LLC (collectively referred to as NorthernStar) in the above-referenced dockets.

As you know, we issued the draft environmental impact statement (EIS) for this project in August 2007. As your letters were received after the issuance of the draft EIS, our response to Clatsop County's concerns would normally be addressed in the final EIS. However, both Senator Wyden and Representative Wu requested that we respond to these letters directly.

The letters raised several questions regarding the Commission review process and the how Commission authorization could affect other state and local permitting actions. First, the County Board of Commissioners asks whether the Commission has authority to "invalidate, waive or modify local land use regulations" and more specifically, does Commission authorization preempt local measures that may be included in a state's review under the Coastal Zone Management Act (CZMA). Similarly, Mr. Jordan's letter asks whether the Commission would require NorthernStar to satisfy conditions placed on local approvals.

As required by the National Environmental Policy Act, the draft EIS discusses land use planning in Oregon and identifies whether the project, as proposed, would be consistent with current land use plans and policies, including those of Clatsop County. The document states that NorthernStar is working with the County to resolve the identified conflicts. The final EIS will discuss the results of NorthernStar's efforts, and to the extent necessary, may recommend mitigation to resolve any outstanding concerns.

The Commission encourages cooperation between the applicants and state and local authorities, and we expect the project sponsors to submit applications for necessary permits. However, this does not mean that state and local agencies, through application of state and local laws, may prohibit or unreasonably delay the construction or operations of facilities approved by the Commission. Further, state and local permits must be consistent with the conditions of any authorization the Commission may issue.

Regarding the Energy Policy Act of 2005 (EPA 2005), this legislation gave the FERC the exclusive authority to site liquefied natural gas terminals. However, the EPA 2005 specifically stated that the rights of the states under the CZMA would not be affected. Our draft EIS discusses Oregon's federally approved Coastal Management Program (CMP), and describes how the CMP integrates state and local land use and resource concerns. The draft EIS acknowledges that NorthernStar has not yet received a determination that its project is consistent with the CMP and recommends that prior to construction NorthernStar must file documentation from the Oregon Department of Land Conservation and Development that the project is consistent with the Oregon CMP.

The letter from Mr. Jordan asks how the Commission will address the questions, concerns, and comments filed by state, federal, and local agencies in response to the draft EIS. All comments on the draft EIS will be addressed in the final EIS by providing direct responses to specific questions and concerns, as well as by modifying the text in the EIS, as appropriate.

Lastly, Mr. Jordan asks whether having a consultant hired by NorthernStar provide studies and respond to comments on the draft EIS constitutes a conflict of interest. We do not consider this to be a conflict of interest. All of the information used by the staff to complete its environmental review is independently evaluated. My staff will assess the validity of the study, verify facts, and review the claims of any consultant's study done on behalf of an applicant, before accepting any data for inclusion into our environmental document.

If I can be of further assistance in this or any other Commission matter, please let me know.

Sincerely,

J. Mark Robinson, Director  
Office of Energy Projects