

Re: **Via Verde follow-up letter**   
Teresita Rodriguez to: Jose Soto

03/25/2011 11:08 AM

You did it!!! Me parece muy bien. De mi parte sólo le haría "very minor edits".

03/25/2011 10:45:20 AM

From: Jose Soto/R2/USEPA/US To: Carl Soderberg/R2/USEPA/US@EPA

Jose Soto

From: Jose Soto/R2/USEPA/US  
To: Carl Soderberg/R2/USEPA/US@EPA  
Cc: Teresita Rodriguez/R2/USEPA/US@EPA, Jose Font/R2/USEPA/US@EPA  
Date: 03/25/2011 10:45 AM  
Subject: Via Verde follow-up letter

Attached please find the first draft of the follow-up letter for Via Verde. I limited the comments from DEPP to those solely dealing with wetlands program issues, as per a conference call with Dan Montella and Mario Del Vicario. As of this message, I have NOT forwarded the letter to New York. This letter is a follow-up and is not bound by program specific deadlines. If you have any questions/concerns, please let me know.

[attachment "Via Verde follow-up letter - March 25, 2011 - DRAFT #1.docx" deleted by Teresita Rodriguez/R2/USEPA/US]

**Fw: Via Verde Comments**  
Teresita Rodriguez to: Carl Soderberg  
Cc: Jose Font

03/22/2011 03:58 PM

----- Forwarded by Teresita Rodriguez/R2/USEPA/US on 03/22/2011 05:05 PM -----

**From:** Stephanie Lamster/R2/USEPA/US  
**To:** Teresita Rodriguez/R2/USEPA/US@EPA, Jose Soto/R2/USEPA/US@EPA  
**Cc:** Grace Musumeci/R2/USEPA/US@EPA, Carlos Ramos/R2/USEPA/US@EPA  
**Date:** 03/21/2011 12:31 PM  
**Subject:** Via Verde Comments

Hello Teresita and Jose.

Attached are our comments regarding the translated sections of the state EIS for the Via Verde project. A hard copy has also been sent to you. Please let me know if you have any questions.

Thank you!  
Stephanie



ViaVerdeMemoToCEPD.docx

\*\*\*\*\*

Stephanie Lamster Brandt  
Endangered Species Coordinator  
U.S. Environmental Protection Agency  
Region 2  
(212) 637-3465

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 2**

**DATE:** March 21, 2011

**SUBJECT:** Puerto Rico Electric Power Authority, Via Verde Natural Gas Project  
Public Notice Number SAJ-2010—02881 (IP-EWG)

**FROM:** Carlos R. Ramos, Acting Chief  
Strategic Planning and Multi-Media Programs Branch, DEPP

**TO:** Teresita Rodriguez, Chief  
Multi-Media Permits & Compliance Branch, CEPD

The Environmental Review Section (ERS) has reviewed the translated chapters of the Commonwealth of Puerto Rico's Environmental Impact Statement (EIS) provided by the Electric Power Authority (AEE) for the Via Verde Natural Gas Project. We received Chapters 4 and 6, as well as a couple of summary sections. We recognize that our comments may be addressed in other portions of the EIS that we did not receive. Therefore, our review and comments are limited to the sections of the state EIS provided. Please feel free to convey the comments below in your communications with the Army Corps (Corps) of Engineers as you feel appropriate.

In a number of places throughout the EIS, such as page 16 of the summary chapter under "Pipeline right-of-way restoration," a 100-foot right-of-way is mentioned, however in other places in the document (such as page 31 of Chapter 6) and as stated in DEPP's February 28th meeting with EQB, it is listed as 150 feet. Does the size of the right-of-way vary throughout the project? If so, why? The difference is significant and the distance should be clarified.

On page 23 of the summary chapter, it is mentioned that a biologist will be available at all times during karst drilling to evaluate the area carefully. Though we see the value in having a biologist present, it would also be important to have a geologist with a karst background present who can evaluate the impacts of the drilling from a geological perspective.

Of the 33% of the alignment that will cross through wetlands (page 24 of the summary chapter), it is not clear whether the full 33% will be mitigated at a 3:1 ratio.

Page 29 of the summary chapter states that no cumulative impacts on mangroves and wetlands are expected. That is inconsistent with statements made in other sections of the EIS and should be clarified.

Page 4 of chapter 6 discusses the impacts of deforestation. It states, "It is estimated that 1,191.3 acres of land will be impacted, most of them (approximately 66%) temporarily." ERS is assuming that the 34% of permanently impacted acres are from the right-of-way. We disagree that the impacts of 66% of the deforestation are temporary since the permanent removal of trees will alter the habitat and thus impact areas of deforestation regardless of whether or not deep rooted trees and natural vegetation are permitted to regrow in those areas. Further, using the term "temporary impacts" might not be representative of the impacts, and should be explained in terms of months or years of recovery. A discussion of the age and species of the trees inhabiting the forest should be included to give a clearer picture of the recovery time of the area as well as a discussion of the ecosystem in general and the habitat provided by the trees and undergrowth in those areas. This information will all be helpful in determining how best to mitigate project impacts.

Pages 6-7 of Chapter 6 state, "Bosque Vega is the only forest that will receive a direct impact with this project. This reserve is fragmented in six portions. Via Verde will impact one of them. However, the impact will be minimal. The total area of this forest is 1.85 square miles. The portion that will be impacted is .46 square miles." The impacted area represents about 25% of this portion of the forest, which is not minimal. This section then goes on to say "of these, only .0086 square miles will be impacted." These sentences are inconsistent, but ERS interprets them to mean that .0086 square miles are being directly impacted by the project. We reiterate that the impacts of deforestation are not only limited to the trees that are cut down. The statement on page 7 that "...the total area to be impacted by the project is .0086 square miles, or 0.07%. This percentage is graphically imperceptible," might not be representative of the impact. AEE should be reminded that evaluation of direct impacts only, and not indirect impacts, does not paint a clear picture of environmental effects and that an imperceptible amount on a graph could be very significant from an ecosystem perspective. The effectiveness of the mitigation proposed by AEE through the acquisition of "land contiguous to some of the portions to connect two isolated portions" cannot be assessed without a map of the fragmented forest and proposed area of acquisition.

Page 59 of chapter 6 states that there will be no impact to most areas of the project during the operational phase. However, once the forested areas are deforested, the indirect impacts of the project will continue as long as a clearing is maintained. This section also states that the impacts from the clearance of existing vegetation in the forest mostly affect the ecosystem by allowing exotic species to invade. However, there are also essential natural behaviors (mating, feeding, nesting, etc.) of species that can be impacted, especially for species that spend time in the canopy or underbrush which will be permanently eliminated in the 50-foot right-of-way. Page 61 states that there "could be indirect impacts on biodiversity by the secondary effects of fragmentation in the short and middle terms." ERS believes these impacts will be felt in the *long* term as well, as the impacts of deforestation and fragmentation are likely to exist well beyond the life of the pipeline.

Lastly, we wanted to point out that on January 14, 2011 the Council on Environmental Quality (CEQ) provided guidance for departments and agencies of the Federal government on mitigation and monitoring of activities. As highlighted in this guidance, "Mitigation measures included in the project design are integral components of the proposed action, are implemented with the proposed action, and therefore should be clearly described as part of the proposed action." ERS feels that a more robust description of the mitigation and monitoring plans needs to be developed to ensure that this federal objective is fulfilled. The guidance further states, "Mitigation commitments needed to lower the level of impacts so that they are not significant should be clearly described in the mitigated FONSI [finding of no significant impact] document and in any other relevant decision documents related to the proposed action." Therefore, any Corps-issued Environmental Assessment coupled with a FONSI for this project should include that information.

In a related matter, pursuant to a March 16, 2011 memorandum from Office of Water Acting Assistant Administrator Nancy K. Stoner to Regional Administrators, the Regions are being asked to work in partnership with their States to limit phosphorous and nitrogen pollution to our waters to the extent possible regardless of whether or not numeric nutrient criteria exist for a particular water body. It would be environmentally beneficial if these principles could be incorporated into the permitting and stormwater management processes.

Should you have any questions regarding these comments, or the NEPA process in general, please feel free to call Stephanie Lamster at (212) 637-3465.

cc: J. Filippelli, DEPP  
J. Brennan-McKee, DEPP

Saved in: G:\deppdiv\SPM\ERS\Staff\LAMSTER\ViaVerdeMemoToCEPD.docx

Save to:  
G:\deppdiv\SPM\ERS\ERSFINAL\309\PuertoRico\ViaVerdeMemoToCEPD.docx

DEPP-SPMM:03/18/11:03/21/11:X3465

**Re: Via Verde & Pedro Nieves - DC meeting request.** 

**Teresita Rodriguez** to: Judith Enck

Cc: Peter Brandt, Barbara Finazzo, Bonnie Bellow, Carl Soderberg, Grace Musumeci, Jose Font, Kevin Bricke, "shore berry", Jose Soto

02/03/2011 10:13 AM

Hi Judith,

Attached you'll find the ViaVerde briefing paper for review. We tried to be as concise as possible. We are available at your convenience should there be any questions.



Via Verde Breifing = February 3, 2011.doc

**Re: Via Verde DC meeting - Breifing paper (DRAFT)** 

**Teresita Rodriguez** to: Jose Soto

Cc: Carl Soderberg, Jose Font

02/03/2011 09:35 AM

Based on the comments received from Judith and Carl, I've considerably shortened Jose's first draft of the Via Verde briefing paper. I believe we should internally maintain Jose's version as it contains more discussion and details of the issues at hand. It would prove very useful should we be called to a conference call to discuss the issues.

Short version attached.



Via Verde Breifing = February 3, 2011.doc



**Fw: Via Verde & Pedro Nieves - DC meeting request.**

**Teresita Rodriguez** to: Jose Soto

02/03/2011 08:22 AM

----- Forwarded by Teresita Rodriguez/R2/USEPA/US on 02/03/2011 08:26 AM -----

**From:** Judith Enck/R2/USEPA/US  
**To:** Teresita Rodriguez/R2/USEPA/US@EPA  
**Cc:** Peter Brandt/R2/USEPA/US@EPA, Barbara Finazzo/R2/USEPA/US@EPA, Bonnie Bellow/R2/USEPA/US@EPA, Carl Soderberg/R2/USEPA/US@EPA, George Pavlou/R2/USEPA/US@EPA, Grace Musumeci/R2/USEPA/US@EPA, Jose Font/R2/USEPA/US@EPA, Kevin Bricke/R2/USEPA/US@EPA, "shore berry" <shore.berry@epa.gov>  
**Date:** 02/02/2011 06:55 PM  
**Subject:** Re: Via Verde & Pedro Nieves - DC meeting request.

great. short good. long bad.  
i will ask a manager from nyc to attend. pedro has never called me about this so not sure what the expectations are around a hq mtg the letter was quite reasonable - correct deficiencies in the eis, not opposition to the pipeline.

Judith Enck  
Regional Administrator  
U.S. Environmental Protection Agency  
290 Broadway  
New York, N.Y. 10007-1866  
(212) 637-5000

**Teresita Rodriguez** Jose Soto is writing the first draft. It will be circulated by 10:00 am tomorrow (0... 02/02/2011 04:55:31 PM

**From:** Teresita Rodriguez/R2/USEPA/US  
**To:** Judith Enck/R2/USEPA/US@EPA  
**Cc:** Peter Brandt/R2/USEPA/US@EPA, Barbara Finazzo/R2/USEPA/US@EPA, Bonnie Bellow/R2/USEPA/US@EPA, Carl Soderberg/R2/USEPA/US@EPA, George Pavlou/R2/USEPA/US@EPA, Grace Musumeci/R2/USEPA/US@EPA, Jose Font/R2/USEPA/US@EPA, Kevin Bricke/R2/USEPA/US@EPA, "shore berry" <shore.berry@epa.gov>  
**Date:** 02/02/2011 04:55 PM  
**Subject:** Re: Via Verde & Pedro Nieves - DC meeting request.

Jose Soto is writing the first draft. It will be circulated by 10:00 am tomorrow (or sooner).

**Judith Enck** who is writing the first draft of the briefing memo from region 2? Judith Enck R...  
**Peter Brandt** FYI - they are scheduled to meet with Nancy Stoner on Friday, Feb 11 at 2pm...  
**Judith Enck** Please work on a background memo for nancy or scott or whomever agrees to t...  
02/02/2011 05:53:24 PM  
02/02/2011 04:36:16 PM  
02/01/2011 08:23:17 PM

Peter Brandt

----- Original Message -----

From: Peter Brandt


Sent: 02/01/2011 05:02 PM EST

To: Judith Enck; George Pavlou; Barbara Finazzo; Carl Soderberg; Jose Font; Teresita Rodriguez; Kevin Bricke; Grace Musumeci; Bonnie Bellow; shore.berry@epa.gov  
Subject: Via Verde & Pedro Nieves - DC meeting request.

Hi,

Pedro Nieves and Daniel Galan of DPNR, through Governor Fortuño's DC office, has requested a meeting with Acting Administrator for Water Nancy Stoner and General Counsel Scott Fulton on Feb. 9. to discuss Puerto Rico's Via Verde project.

Although we all likely know, I've asked OCIR to re-engage the Governor's office on more specifics on what they would like to cover.

**Re: AWL end notification - Good night!!!**   
Teresita Rodriguez to: Jose Soto

02/02/2011 06:05 PM

I'm taking the ViaVerde briefing paper with me to review tonight, but it seems very comprehensive. Thanks for the quick turn around.

Good night!!!

Jose Soto From: Jose Soto/R2/USEPA/US To: Teresita Rodriguez/R2/USEPA/US@EPA 02/02/2011 05:55:25 PM

From: Jose Soto/R2/USEPA/US  
To: Teresita Rodriguez/R2/USEPA/US@EPA  
Date: 02/02/2011 05:55 PM  
Subject: AWL end notification - Good night!!!

**Re: Via Verde & Pedro Nieves - DC meeting request.**

**Terেসita Rodriguez** to: Judith Enck

Cc: Peter Brandt, Barbara Finazzo, Bonnie Bellow, Carl Soderberg, George Pavlou, Grace Musumeci, Jose Font, Kevin Bricke, "shore berry"

02/02/2011 05:51 PM

Jose Soto is writing the first draft. It will be circulated by 10:00 am tomorrow (or sooner).

Judith Enck who is writing the first draft of the briefing memo from region 2? Judith Enck R... 02/02/2011 05:53:24 PM

**From:** Judith Enck/R2/USEPA/US  
**To:** Peter Brandt/R2/USEPA/US@EPA  
**Cc:** Barbara Finazzo/R2/USEPA/US@EPA, Bonnie Bellow/R2/USEPA/US@EPA, Carl Soderberg/R2/USEPA/US@EPA, George Pavlou/R2/USEPA/US@EPA, Grace Musumeci/R2/USEPA/US@EPA, Jose Font/R2/USEPA/US@EPA, Kevin Bricke/R2/USEPA/US@EPA, "shore berry" <shore.berry@epa.gov>, Teresita Rodriguez/R2/USEPA/US@EPA  
**Date:** 02/02/2011 05:53 PM  
**Subject:** Re: Via Verde & Pedro Nieves - DC meeting request.

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Judith Enck  
Regional Administrator  
U.S. Environmental Protection Agency  
290 Broadway  
New York, N.Y. 10007-1866  
(212) 637-5000

Peter Brandt FYI - they are scheduled to meet with Nancy Stoner on Friday, Feb 11 at 2pm.... 02/02/2011 04:36:16 PM

**From:** Peter Brandt/R2/USEPA/US  
**To:** Judith Enck/R2/USEPA/US@EPA  
**Cc:** Barbara Finazzo/R2/USEPA/US@EPA, Bonnie Bellow/R2/USEPA/US@EPA, Carl Soderberg/R2/USEPA/US@EPA, George Pavlou/R2/USEPA/US@EPA, Grace Musumeci/R2/USEPA/US@EPA, Jose Font/R2/USEPA/US@EPA, Kevin Bricke/R2/USEPA/US@EPA, "shore berry" <shore.berry@epa.gov>, Teresita Rodriguez/R2/USEPA/US@EPA  
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Date: 02/01/2011 08:23 PM  
Subject: Re: Via Verde & Pedro Nieves - DC meeting request.

Please work on a background memo for nancy or scott or whomever agrees to take the meeting. I would like to review it first. Thanks  
Sent by EPA Wireless E-Mail Services

Peter Brandt

----- Original Message -----

From: Peter Brandt  
Sent: 02/01/2011 05:02 PM EST  
To: Judith Enck; George Pavlou; Barbara Finazzo; Carl Soderberg; Jose Font; Teresita Rodriguez; Kevin Bricke; Grace Musumeci; Bonnie Bellow; shore.berry@epa.gov  
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Although we all likely know, I've asked OCIR to re-engage the Governor's office on more specifics on what they would like to cover.

Re: Via Verde & Pedro Nieves - DC meeting request. □

02/02/2011 12:08 PM

Teresita Rodriguez to: Grace Musumeci  
Cc: Barbara Finazzo, Bonnie Bellow, Kevin Bricke, Peter Brandt, "shore berry", Lamster.Stephanie, John Filippelli, Jose Soto

Hi Grace,

Jose Soto is preparing the background memo. I'm forwarding your message to him so he can contact Stephanie, if necessary.

Thanks,

Tere

Grace Musumeci

Hi Teresita. I imagine you may have the lead on this. If you need anything re N...

02/02/2011 09:19:20 AM

From:

Grace Musumeci/R2/USEPA/US

To:

Barbara Finazzo/R2/USEPA/US@EPA, Bonnie Bellow/R2/USEPA/US@EPA, Kevin Bricke/R2/USEPA/US@EPA, Peter Brandt/R2/USEPA/US@EPA, "shore berry" <shore.berry@epa.gov>, Teresita Rodriguez/R2/USEPA/US@EPA, Lamster.Stephanie@epa.gov, John Filippelli/R2/USEPA/US@EPA

Date:

02/02/2011 09:19 AM

Subject:

Re: Via Verde & Pedro Nieves - DC meeting request.

Hi Teresita.

I imagine you may have the lead on this. If you need anything re NEPA, please contact Stephanie Lamster as I will be on travel the remainder of this week.

Thanks,  
Grace

Judith Enck  
Peter Brandt

02/01/2011 08:23:17 PM

Please work on a background memo for nancy or scott or whomever agrees to t...

----- Original Message -----

From: Peter Brandt

Sent: 02/01/2011 05:02 PM EST

To: Judith Enck; George Pavlou; Barbara Finazzo; Carl Soderberg; Jose Font; Teresita Rodriguez; Kevin Bricke; Grace Musumeci; Bonnie Bellow; shore.berry@epa.gov  
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**Fw: Via Verde & Pedro Nieves - DC meeting request.**  
Teresita Rodriguez to: Jose Soto

02/02/2011 11:49 AM

----- Forwarded by Teresita Rodriguez/R2/USEPA/US on 02/02/2011 11:53 AM -----

**From:** Judith Enck/R2/USEPA/US  
**To:** Peter Brandt/R2/USEPA/US@EPA, George Pavlou/R2/USEPA/US@EPA, Barbara Finazzo/R2/USEPA/US@EPA, Carl Soderberg/R2/USEPA/US@EPA, Jose Font/R2/USEPA/US@EPA, Teresita Rodriguez/R2/USEPA/US@EPA, Kevin Bricke/R2/USEPA/US@EPA, Grace Musumeci/R2/USEPA/US@EPA, Bonnie Bellow/R2/USEPA/US@EPA, "shore berry" <shore.berry@epa.gov>  
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Sent by EPA Wireless E-Mail Services  
Peter Brandt

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Although we all likely know, I've asked OCIR to re-engage the Governor's office on more specifics on what they would like to cover.



**Via Verde Letter - Revised After Phone Call**

**Teresita Rodriguez** to: Barbara Finazzo

Cc: Carl Soderberg, Grace Musumeci, Jose Soto, Daniel Montella

12/20/2010 05:42 PM

Hi Barbara,

Attached you'll find a version of the Via Verde letter which we believe incorporates the points discussed during the phone conversation. Please, let us know if you are in agreement or if further discussion is needed before your and Carl's call with George P. tomorrow morning.

Thanks,

Tere



Via Verde consensus language 2.docx

Mr. José M. Rosado  
Deputy District Engineer for the Antilles  
U.S. Army Corps of Engineers  
Antilles Office  
400 Fernandez Juncos Ave,  
San Juan, PR 00901-3299

RE: Public Notice Number SAJ-2010-02881 (IP-EWG)

Dear Mr. Rosado:

We are in receipt of the above Public Notice (PN) describing the Puerto Rico Electric Power Authority's (PREPA) request to obtain Department of the Army authorization for construction of a natural gas pipeline project that will pass through the municipalities of Peñuelas, Adjuntas, Utuado, Arecibo, Barceloneta, Manati, Vega Alta, Vega Baja, Dorado, Toa Baja, Cataño, Bayamón, and Guaynabo, Puerto Rico. The pipeline, known as Via Verde, would be approximately 92 miles long and 24 inches in diameter with a right-of-way 150 feet wide. The total project area is approximately 1,672 acres and the pipeline would traverse 235 rivers and wetlands, resulting in an estimated impact to 369 acres of jurisdictional waters of the United States. The applicant's stated purpose for this project is to deliver an alternate fuel source to three existing electric power generating facilities located in Peñuelas, Arecibo, and Toa Baja.

After evaluating the information contained in the November 19, 2010 PN, the Environmental Protection Agency (EPA) believes that the applicant has not adequately demonstrated the need for the proposed pipeline in accordance with the Clean Water Act Section 404(b)(1) Guidelines requirements. The applicant must better document the need for a natural gas pipeline by presenting a more thorough alternatives analysis. Such analysis should evaluate other fuel sources other than natural gas since the stated purpose does not specify fuel type, the construction of an alternative terminal near one of the north coast power plants and the installation of a shorter length pipeline between Arecibo and Toa Baja.

EPA also has concerns regarding the use of directional drilling, particularly in karst terrain areas. In the past and on other projects in the Caribbean, directional drilling has resulted in major impacts when the drilling mud leaked into the surrounding environment. Due to the nature of karst terrain, we are concerned that any spill of drilling mud may contaminate groundwater or reach other aquatic resources which were not evaluated as part of this review.

If PREPA complies with the needs requirement of the Clean Water Act Section 404 (b)(1) guidelines, the risks of directional drilling must be thoroughly analyzed. In conjunction with such analysis, PREPA must establish appropriate mechanisms to monitor the drilling operations so that any escape of drilling mud is detected immediately as well as identify steps to be taken to minimize potential impacts of an escape.

Furthermore, PREPA has not proposed adequate compensation to offset any impacts to jurisdictional areas which would result from the proposed project. While PREPA has proposed the use of horizontal directional drilling and vertical wall trenching, among other measures, to avoid and minimize impacts to wetlands, additional analysis to identify the nature and extent of both temporary and potentially permanent impacts at each jurisdictional area will be needed. We acknowledge that PREPA has offered to be vigilant of such impacts in order to immediately determine whether mitigation is required at any area along the project corridor; but, specific plans to address the need for mitigation must be identified in advance. EPA is also concerned about the criteria identified in the PN for determining whether mitigation sites will be successful. Finally with regard to mitigation, EPA believes that any compensatory mitigation required for permanent impacts should be at a minimum of a 1:1 ratio.

After carefully considering the challenges associated with this project, EPA recommends that an environmental impact statement (EIS) rather than an environmental assessment (EA) be prepared for this project. As highlighted in the PN, the project covers a large area and impacts many rivers and wetlands. Though the wetlands to be traversed are diverse in nature, all provide the important functions of flood water storage and filtration of contaminants that would otherwise reach other aquatic resources. These indirect impacts associated with the loss of wetlands also need to be evaluated. The PN states that the impacts of the project are expected to be temporary in nature; however, the impacts to threatened and endangered species could be extensive, as demonstrated by the fact that a formal versus informal Endangered Species Act (ESA) consultation is being undertaken for the project.

In summary, EPA believes that the Via Verde project could have substantial impacts to aquatic resources and that adequate compensatory mitigation has not been offered to offset such impacts. Furthermore, an EIS is needed to properly evaluate the project's impacts. Therefore, it is EPA's position that a permit for this project be held in abeyance until our concerns are addressed.

If you have any questions regarding this matter, please contact me at (787) 977-5801 or have your staff contact José Soto of the Multimedia Permits and Compliance Branch at (787) 977-5829.

Sincerely,

Carl-Axel P. Soderberg  
Director

**cc:** USFWS - Boquerón, PR  
DNER - San Juan, PR  
PRPB - San Juan, PR

**bcc:** J. Soto  
D. Montella  
G. Musumeci

**Fw: VIA Verde comment letter - REVISED**  
Teresita Rodriguez to: Carl Soderberg

12/20/2010 02:18 PM

Carl,

El mensaje de Dan no tenía la carta revisada, era para ofrecer una alternativa que nos diera más tiempo de discutir las cosas.

----- Forwarded by Teresita Rodriguez/R2/USEPA/US on 12/20/2010 01:16 PM -----

From: Daniel Montella/R2/USEPA/US  
To: Teresita Rodriguez/R2/USEPA/US@EPA  
Date: 12/20/2010 10:26 AM  
Subject: Fw: VIA Verde comment letter - REVISED

FYI. (I forgot - that I think Jose is out today)

- Dan

----- Forwarded by Daniel Montella/R2/USEPA/US on 12/20/2010 10:25 AM -----

From: Daniel Montella/R2/USEPA/US  
To: Jose Soto@EPA  
Date: 12/20/2010 09:36 AM  
Subject: Fw: VIA Verde comment letter - REVISED

I'm in all day (& acting for Mario D), so keep us advised. Note that if we want time to think about this a bit more, we could send a 3a letter, it buys us up to 25 more days with no obligation to go to the 3b level

- Dan



**Fw: USACE.Notice..Location: Peñuelas, Adjuntas, Utuado, Arecibo, Barceloneta, Manatí, Vega Alta, Vega Baja, Dorado, Toa Baja, Cataño, Bayamón, and Guaynabo Municipalities (UNCLASSIFIED)**

**Daniel Montella** to: Jose Soto  
Cc: Teresita Rodriguez, Mario DelVicario

12/06/2010 04:36 PM

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History: This message has been replied to.

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SPMMB wants to recommend an EIS. Do you think a 404(q) letter is warranted?

- Dan

---

this is big, likely 404(q) candidate. possibly significant.

- Dan

----- Forwarded by Daniel Montella/R2/USEPA/US on 11/22/2010 08:54 AM -----

From: "Garcia, Edgar W SAJ" <Edgar.W.Garcia@usace.army.mil>  
To: <ls-antilles-publicnotice@lst.usace.army.mil>  
Cc: "Garcia, Edgar W SAJ" <Edgar.W.Garcia@usace.army.mil>  
Date: 11/19/2010 02:35 PM  
Subject: USACE.Notice..Location: Peñuelas, Adjuntas, Utuado, Arecibo, Barceloneta, Manatí, Vega Alta, Vega Baja, Dorado, Toa Baja, Cataño, Bayamón, and Guaynabo Municipalities (UNCLASSIFIED)  
Sent by: owner-ls-antilles-publicnotice@lst.usace.army.mil

---

A public notice for the permit application described below has been posted at [http://www.saj.usace.army.mil/Divisions/Regulatory/publicnotices\\_Antilles.htm](http://www.saj.usace.army.mil/Divisions/Regulatory/publicnotices_Antilles.htm)

Classification: UNCLASSIFIED  
Caveats: FOUO

Project Name: Via Verde Natural Gas Pipe Line  
Municipality: Peñuelas, Adjuntas, Utuado, Arecibo, Barceloneta, Manatí, Vega Alta, Vega Baja, Dorado, Toa Baja, Cataño, Bayamón, and Guaynabo, Puerto Rico.

Comment Due Date: December 19, 2010  
File Name: 20101119-SAJ-2010-02881.pdf

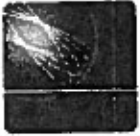
**WATERWAY & LOCATION:** The project will pass through the municipalities of Peñuelas, Adjuntas, Utuado, Arecibo, Barceloneta, Manatí, Vega Alta, Vega Baja, Dorado, Toa Baja, Cataño, Bayamón, and Guaynabo, Puerto Rico.

**PROPOSED WORK:** The applicant proposes to construct and install a 24-inch diameter steel natural gas (NG) pipeline approximately 92 miles long with a construction right-of way (ROW) of 150 feet wide, that traverses the island of Puerto Rico from the EcoEléctrica Liquid Natural Gas Terminal in the municipality of Peñuelas, to the Cambalache Thermoelectric Power Plant in the municipality of Arecibo, then east to the Palo Seco power plant facility in the municipalities of Toa Baja and San Juan. The total project area is about 1,672 acres and the pipeline will traverse 235 rivers and wetlands, covering

369 acres of jurisdictional Waters of the United States.

Classification: UNCLASSIFIED  
Caveats: FOUO

---- If you no longer wish to receive these emails, please send an email to  
mailto:Melinda.M.Witgenstein@usace.army.mil  
--- If you have comments regarding the permit application described above,  
please do not reply to this email. Your response should be provided to the  
project manager as described in the text of the notice.



**{In Archive} PREPA's Via Verde comment letter - URGENT!!!**

**Jose Soto** to: Carl Soderberg, Daniel Montella, Stephanie  
Lamster

12/16/2010 12:59 PM

Cc: Jose Font, Teresita Rodriguez

Archive: This message is being viewed in an archive.

---

Hello to all!

Working for a 40th anniversary event last week, I lost track of the timing for the Via Verde comment letter. Luckily, we are still within the allotted time frame, which will expire on December 19. Since that date falls on a weekend, I believe we should try to send this by tomorrow afternoon. Please review the attached draft and provide any comments as soon as possible so that we can begin the concurrence process and have the letter signed by Carl. Thanks!

Jose Soto  
Multimedia Permits and Compliance Branch  
Phone: (787) 977-5829



via verde.docx



Mr. José M. Rosado  
Deputy District Engineer for the Antilles  
U.S. Army Corps of Engineers  
Antilles Office  
400 Fernandez Juncos Ave,  
San Juan, PR 00901-3299

Dear Mr. Rosado:

This is in response to permit application number SAJ-2010-02881 (IP-EWG) by Eng. Francisco E. Lopez on behalf of the Puerto Rico Electric power Authority (PREPA) requesting authorization for the construction and installation of a 92 miles long, 24-inch diameter steel natural gas pipeline. The proposed pipeline would traverse the island of Puerto Rico from Peñuelas to Arecibo, continuing to the municipalities of Toa Baja and San Juan. The project area has been estimated to approximately 1,672 acres. The proposed pipeline would cross 235 rives and/or wetland areas, resulting in an estimated impact to 369 acres of jurisdictional waters of the United States. This project is intended to deliver an alternated fuel source to three existing power plants.

Based upon our review of the information contained in the Public Notice, it is the Environmental Protection Agency's (EPA) opinion that the applicant has not fully justified the need to impact aquatic resources along the proposed route, nor has he proposed adequate compensation for such impacts. Furthermore, EPA believes that an EIS is necessary to fully evaluate the impacts of this extensive project.

After evaluating the available information, we believe that the applicant has failed to adequately address the need to construct the proposed pipeline. While we strongly endorse the use of alternative energy sources that result in lesser environmental impacts, we believe that other green sources of energy that minimize PREPA's dependence on fossil fuels, such as eolic and solar energy, should also be explored. EPA understands the potential limitations of these technologies in Puerto Rico due to space issues and the high demand for electric power. We also understand PREPA's desire to continue operating existing power plants rather than construct new, expensive facilities. However, the use of liquefied natural gas (LNG) as an alternative to bunker fuel must be carefully weighted due to its handling and safety issues, which in this case pose significant challenges due to distance and varied topography to be traversed by the proposed pipeline.

In addition to a proper justification for the use of LNG as alternative fuels source, EPA has determined that other alternatives which may result in lesser impacts to wetland

areas appear to be available. While PREPA sustains that the construction of terminals to receive liquid natural gas (LNG) from tankers near the power plants were evaluated, no supporting data to determine the practicability of such alternative was presented. Since a facility for the delivery of LNG already exists at Peñuelas, PREPA should evaluate whether the construction of an alternative terminal near one of the north coast power plants, along with the installation of a shorter length of pipeline between Arecibo and Toa Baja, would satisfy the project purpose with less impacts to aquatic resources. While EPA agrees that impacts from the construction of a marine LNG terminal may also be significant, EPA estimates that suitable sites which may result in fewer impacts could be available and should be explored. In the case that a suitable location for such a facility is determined to be feasible, PREPA must also analyze impacts to the aquatic resources of the area and determine a way to offset such impacts through compensatory mitigation.

Upon our evaluation of the proposed project, concerns regarding the use of directional drilling methods to minimize impacts to jurisdictional waters of the United States arose, particularly in karst terrain areas. In the past, directional drilling has resulted in major impacts to the environment in other projects in the Caribbean when the drilling mud leaked into the surrounding environment. Due to the nature of karst terrain, we are concerned that any spill of drilling mud may contaminate groundwater or reach other jurisdictional waters which were not evaluated as part of this review. If PREPA, manages to successfully demonstrate the need for the project and to bring the project to compliance with Section 404 (b)(1) guidelines, the risks of directional drilling should be thoroughly analyzed. In conjunction with such analysis, PREPA must establish appropriate mechanisms to monitor the drilling operations so that any escape of drilling mud is detected immediately and steps are taken to minimize and restore potential impacts.

Furthermore, PREPA has failed to propose adequate compensation to offset any impacts to jurisdictional areas which would result from the proposed project. The wetlands to be traversed by the project are diverse, but all provide important functions such as flood water storage and the filtering of contaminants which may otherwise reach other aquatic resources. While PREPA has conceptually proposed the use of horizontal directional drilling and vertical wall trenching, among other measures, as means to avoid and minimize impacts to wetland areas, we believe that additional analysis to identify the nature and extent of both temporary and potentially permanent impacts at each jurisdictional area are needed in order to fully evaluate the project. While PREPA has offered to be vigilant of such impact in order to immediately determine whether compensatory mitigation is required at any area along the project corridor, there is no specific plan to address the need for such compensatory mitigation areas, nor is there an adequate plan to establish them, other than lowering elevations and establishing herbaceous wetland vegetation. EPA is concerned about this proposal, since there is no way to determine how the process of identifying the need for compensatory mitigation will be carried out. In a similar manner, we are also concerned about the measures to be taken to determine whether any mitigation site will be successful based on the criteria exposed in the public notice. Furthermore, EPA believes that any compensatory mitigation required for permanent impacts should be at a minimum of a 1:1 ratio.

After carefully considering the challenges associated to this project, EPA strongly feels that an Environmental Impact Statement (EIS) would be more appropriate than an Environmental Assessment (EA) for the proposed Via Verde Natural Gas Pipe Line. As highlighted in the public notice, the project covers 1,672 acres and will traverse 235 rivers and wetlands, covering 369 acres of jurisdictional Water of the United States. Additionally, the project may affect 32 threatened or endangered species throughout Puerto Rico. The public notice states that the impacts of the project are expected to be temporary in nature, however the impacts on threatened and endangered species could be extensive, as demonstrated by the fact that a formal versus informal Endangered Species Act consultation will be completed for the project. In light of the fact that the consultation has not been completed, and given the span and scope of the project, EPA feels that an EIS is necessary to evaluate the full impact of the project.

In summary, we consider that the project purpose, as stated by PREPA ("to deliver an alternate fuel source to three existing electric power generating facilities") has not been fully justified by the applicant. EPA also believes that the Via Verde project could have substantial and unacceptable impacts to the aquatic resources in its right of way, and that adequate compensatory mitigation has not been offered to offset such impacts. Furthermore, it is EPA's opinion that an EIS is needed in order to properly evaluate the project's impacts. Therefore EPA recommends the denial of a permit for this project in its current form.

If you have any questions regarding this matter, please contact me at (787) 977-5870 or have your staff contact José Soto, of the Multimedia Permits and Compliance Branch, at (787) 977-5829.

Sincerely,

Car-Axel P. Soderberg  
Director

cc: USFWS - Boquerón, PR  
DNER - San Juan, PR  
PRPB - San Juan, PR

Re: PREPA's Via Verde comment letter - URGENT!!!

Stephanie Lamster

to:

Jose Soto

12/16/2010 02:53 PM

Show Details

Hi Jose,

I think the letter looks good. I have a few small suggestions:

- At the top of the second page it says "while PREPA sustains..." I think a better word than "sustains" would be "maintains" so it would read: "while PREPA maintains...."

- In the third paragraph on the second page, the sentence that says "While PREPA has offered to be vigilant of such impact..." I think it should say "impacts" (as opposed to impact). Also a few sentences down from there there is a line that says "...the need for compensatory mitigation will be carried out" and it should say "...the need for comensatory...."

- In the second to last line on the second page it reads "...based on the criteria exposed in the public notice." I think it would be better to say "...based on the criteria included in the public notice."

Overall, I think the letter looks good.

Thanks!!  
Stephanie

\*\*\*\*\*

Stephanie Lamster Brandt  
Endangered Species Coordinator  
U.S. Environmental Protection Agency  
Region 2  
(212) 637-3465

-----Jose Soto/R2/USEPA/US wrote: -----

To: Carl Soderberg/R2/USEPA/US@EPA, Daniel Montella/R2/USEPA/US@EPA, Stephanie Lamster/R2/USEPA/US@EPA  
From: Jose Soto/R2/USEPA/US  
Date: 12/16/2010 12:01PM  
Cc: Jose Font/R2/USEPA/US@EPA, Teresita Rodriguez/R2/USEPA/US@EPA  
Subject: PREPA's Via Verde comment letter - URGENT!!!

Hello to all!

Working for a 40th anniversary event last week, I lost track of the timing for the Via Verde comment letter. Luckily, we are still within the allotted time frame, which will expire on December 19. Since that date falls on a weekend, I believe we should try to send this by tomorrow afternoon. Please review the attached draft and provide any comments as soon as possible so that we can begin the concurrence process and have the letter signed by Carl.  
Thanks!

Jose Soto  
Multimedia Permits and Compliance Branch  
Phone: (787) 977-5829

*(See attached file: via verde.docx)*

[attachment "via verde.docx" removed by Stephanie Lamster/R2/USEPA/US]

Fw: via verde.docx  
Stephanie Lamster  
to:  
Jose Soto  
12/16/2010 04:06 PM  
Show Details

Hi Jose,

Sorry for the second e-mail. Here are a few more minor changes. Sorry for any redundancy.

Thanks,  
Stephanie

\*\*\*\*\*

Stephanie Lamster Brandt  
Endangered Species Coordinator  
U.S. Environmental Protection Agency  
Region 2  
(212) 637-3465

|

Mr. José M. Rosado  
Deputy District Engineer for the Antilles  
U.S. Army Corps of Engineers  
Antilles Office  
400 Fernandez Juncos Ave,  
San Juan, PR 00901-3299

Dear Mr. Rosado:

This is in response to permit application number SAJ-2010-02881 (IP-EWG) by Eng. Francisco E. Lopez on behalf of the Puerto Rico Electric Power Authority (PREPA) requesting authorization for the construction and installation of a 92 miles long, 24-inch diameter steel natural gas pipeline. The proposed pipeline would traverse the island of Puerto Rico from Peñuelas to Arecibo, continuing to the municipalities of Toa Baja and San Juan. The project area has been estimated to traverse approximately 1,672 acres. The proposed pipeline would cross 235 rivers and/or wetland areas, resulting in an estimated impact to 369 acres of jurisdictional waters of the United States. This project is intended to deliver an alternate-fuel source to three existing power plants.

Based upon our review of the information contained in the (date) Public Notice, it is the Environmental Protection Agency's (EPA) opinion that the applicant has not fully justified the need to impact aquatic resources along the proposed route, nor has he proposed adequate compensation for such impacts. Furthermore, EPA believes that an EIS is necessary to fully evaluate the impacts of this extensive project.

After evaluating the available information, we believe that the applicant has failed to adequately address the need to construct the proposed pipeline. While we strongly endorse the use of alternative energy sources that result in lesser environmental impacts, we believe that other green sources of energy that minimize PREPA's dependence on fossil fuels, such as eolic and solar energy, should also be explored. EPA understands the potential limitations of these technologies in Puerto Rico due to space issues and the high demand for electric power. We also understand PREPA's desire to continue operating existing power plants rather than construct new, expensive facilities. However, the use of liquefied natural gas (LNG) as an alternative to bunker fuel must be carefully weighted due to its handling and safety issues, which in this case pose significant challenges due to the distance and varied topography to be traversed by the proposed pipeline.

In addition to a proper justification for the use of LNG as an alternative fuels source, EPA has determined that other alternatives which may result in lesser impacts to

wetland areas appear to be available. While PREPA sustains that the construction of terminals to receive liquid natural gas (LNG) from tankers near the power plants were evaluated, no supporting data to determine the practicability of such alternative was presented. Since a facility for the delivery of LNG already exists at Peñuelas, PREPA should evaluate whether the construction of an alternative terminal near one of the north coast power plants, along with the installation of a shorter length of pipeline between Arecibo and Toa Baja, would satisfy the project purpose with less impacts to aquatic resources. While EPA agrees that impacts from the construction of a marine LNG terminal may also be significant, EPA estimates that suitable sites which may result in fewer impacts could be available and should be explored. In the case that a suitable location for such a facility is determined to be feasible, PREPA must also analyze impacts to the aquatic resources of the area and determine a way to offset such impacts through compensatory mitigation.

Upon our evaluation of the proposed project, concerns regarding the use of directional drilling methods to minimize impacts to jurisdictional waters of the United States arose, particularly in karst terrain areas. In the past, directional drilling has resulted in major impacts to the environment in other projects in the Caribbean when the drilling mud leaked into the surrounding environment. Due to the nature of karst terrain, we are concerned that any spill of drilling mud may contaminate groundwater or reach other jurisdictional waters which were not evaluated as part of this review. If PREPA, manages to successfully demonstrate the need for the project and to bring the project to compliance with Section 404 (b)(1) guidelines, the risks of directional drilling should be thoroughly analyzed. In conjunction with such analysis, PREPA must establish appropriate mechanisms to monitor the drilling operations so that any escape of drilling mud is detected immediately and steps are taken to minimize ~~and restore~~ potential impacts.

Furthermore, PREPA has failed to propose adequate compensation to offset any impacts to jurisdictional areas which would result from the proposed project. The wetlands to be traversed by the project are diverse, but all provide important functions such as flood water storage and the filtering of contaminants which may otherwise reach other aquatic resources. While PREPA has conceptually proposed the use of horizontal directional drilling and vertical wall trenching, among other measures, as means to avoid and minimize impacts to wetland areas, we believe that additional analysis to identify the nature and extent of both temporary and potentially permanent impacts at each jurisdictional area are needed in order to fully evaluate the project. While PREPA has offered to be vigilant of such impact in order to immediately determine whether compensatory mitigation is required at any area along the project corridor, there is no specific plan to address the need for such compensatory mitigation areas, nor is there an adequate plan to establish them, other than lowering elevations and establishing herbaceous wetland vegetation. EPA is concerned about this proposal, since there is no way to determine how the process of identifying the need ~~for~~ compensatory mitigation will be carried out. In a similar manner, we are also concerned about the measures to be taken to determine whether any mitigation site will be successful based on the criteria ~~exposed~~ identified in the public notice. Furthermore, EPA believes that any



compensatory mitigation required for permanent impacts should be at a minimum of a 1:1 ratio.

After carefully considering the challenges associated ~~to~~with this project, EPA strongly feels that an Environmental Impact Statement (EIS) would be more appropriate than an Environmental Assessment (EA) for the proposed Via Verde Natural Gas Pipe Line. As highlighted in the public notice, the project covers 1,672 acres and will traverse 235 rivers and wetlands, covering 369 acres of jurisdictional ~~W~~waters of the United States. Additionally, ~~the projected may affect~~ 32 threatened or endangered species occur throughout Puerto Rico. The public notice states that the impacts of the project are expected to be temporary in nature, however the impacts on threatened and endangered species could be extensive, as demonstrated by the fact that a formal versus informal Endangered Species Act consultation will be completed for the project. In light of the fact that the consultation has not been completed, and given the span and scope of the project, EPA feels that an EIS is necessary to evaluate the full impact of the project.

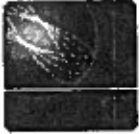
In summary, we consider that the project purpose, as stated by PREPA (“to ~~to~~ deliver an alternate fuel source to three existing electric power generating facilities”) has not been fully justified by the applicant. EPA also believes that the Via Verde project could have substantial and unacceptable impacts to the aquatic resources in its right of way, and that adequate compensatory mitigation has not been offered to offset such impacts. Furthermore, it is EPA’s opinion that an EIS is needed in order to properly evaluate the project’s impacts. Therefore EPA recommends the denial of a permit for this project in its current form.

If you have any questions regarding this matter, please contact me at (787) 977-5870 or have your staff contact José Soto, of the Multimedia Permits and Compliance Branch, at (787) 977-5829.

Sincerely,

Car-Axel P. Soderberg  
Director

cc: USFWS - Boquerón, PR  
DNER - San Juan, PR  
PRPB - San Juan, PR



**{In Archive} VIA Verde comment letter - REVISED**

**Jose Soto** to: Carl Soderberg, Jose Font, Teresita Rodriguez,  
Daniel Montella

12/16/2010 04:28 PM

Cc: Mario DelVicario, Stephanie Lamster, Grace Musumeci

Archive: This message is being viewed in an archive.

Attached is a revised copy of the Via Verde comment letter. I received a message from Sindulfo Castillo at the Corps stressing the December 19 deadline. I hope the letter can be finalized by close-of-business tomorrow.

Dan, If you agree to this version, would you be so kind as to begin the concurrence process at your end?  
Thanks!

If you have any comments or need any additional information, please contact me at your convenience.

Jose Soto  
Multimedia Permits and Compliance Branch  
Phone: (787) 977-5829  
AWL (Wed &,Fri): 939-717-4858 or 787-250-8743



Via verde 2.docx

{In Archive} Re: VIA Verde comment letter - REVISED

Jose Soto

to:

Daniel Montella

12/17/2010 06:52 AM

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Archive: This message is being viewed in an archive.

Got it, but I'm out of the office on Monday and I get a little antsy if I'm not around to push the letter. As it is, today Carl is not in, so the letter would be signed by Jose Font (our Deputy Director).

-----Daniel Montella/R2/USEPA/US wrote: -----

To: Jose Soto/R2/USEPA/US@EPA  
 From: Daniel Montella/R2/USEPA/US  
 Date: 12/16/2010 05:17PM  
 Cc: Carl Soderberg/R2/USEPA/US@EPA, Grace Musumeci/R2/USEPA/US@EPA, Jose Font/R2/USEPA/US@EPA, Mario DelVicario/R2/USEPA/US@EPA, Stephanie Lamster/R2/USEPA/US@EPA, Teresita Rodriguez/R2/USEPA/US@EPA, David Pohle/R2/USEPA/US@EPA, Robert Montgomerie/R2/USEPA/US@EPA  
 Subject: Re: VIA Verde comment letter - REVISED

I understand he might prefer to have all comments by Sunday, 12/19, but our deadline is 12/20. The 404(q) MOA, (<http://water.epa.gov/lawsregs/guidance/wetlands/dispmoa.cfm>) which governs all PN responses - not just 404(q) letters, specifically says in Section 1, paragraph 7, (concerning all timeframes referred to in the MOA, including PN comment periods) that "...if the end of the specified time period falls on a weekend or a holiday, the last calendar day will be the first business day following the weekend or holiday."

- Dan

-----Jose Soto/R2/USEPA/US wrote: -----

To: Carl Soderberg/R2/USEPA/US@EPA, Jose Font/R2/USEPA/US@EPA, Teresita Rodriguez/R2/USEPA/US@EPA, Daniel Montella/R2/USEPA/US@EPA  
 From: Jose Soto/R2/USEPA/US  
 Date: 12/16/2010 03:30PM  
 Cc: Mario DelVicario/R2/USEPA/US@EPA, Stephanie Lamster/R2/USEPA/US@EPA, Grace Musumeci/R2/USEPA/US@EPA  
 Subject: VIA Verde comment letter - REVISED

Attached is a revised copy of the Via Verde comment letter. I received a message from Sindulfo Castillo at the Corps stressing the December 19 deadline. I hope the letter can be finalized by close-of-business tomorrow.

Dan, If you agree to this version, would you be so kind as to begin the concurrence process at your end? Thanks!

If you have any comments or need any additional information, please contact me at your convenience.

Jose Soto  
Multimedia Permits and Compliance Branch  
Phone: (787) 977-5829  
AWL (Wed & Fri): 939-717-4858 or 787-250-8743

*(See attached file: Via verde 2.docx)*

[attachment "Via verde 2.docx" removed by Daniel Montella/R2/USEPA/US]

{In Archive} RE: Via Verde Project (UNCLASSIFIED)

Jose Soto

to:

Sindulfo.Castillo

12/17/2010 08:03 AM

Show Details

Archive: This message is being viewed in an archive.  
Sindulfo,

Cambio de planes. Nuestra carta de comentarios enfrenta problemas en la cadena de concurrence que estamos tratando de resolver. Te trate de llamar temprano pero no tuve suerte. Estoy coordinando unos briefings, etc. para tratar de moverla, pero hay una posibilidad de que no este lista para el lunes. Cuan real seria la posibilidad de una extension de 2-3 dias adicionales? Tratare de comunicarme por telefono contigo un poco mas tarde. Gracias!

-----"Castillo, Sindulfo SAJ" <Sindulfo.Castillo@usace.army.mil> wrote: -----

To: Jose Soto/R2/USEPA/US@EPA  
From: "Castillo, Sindulfo SAJ" <Sindulfo.Castillo@usace.army.mil>  
Date: 12/16/2010 03:07PM  
Subject: RE: Via Verde Project (UNCLASSIFIED)

Classification: UNCLASSIFIED  
Caveats: FOUO

Gracias.

Sindulfo Castillo, P.E.  
Chief, Antilles Regulatory Section  
400 Fernandez Juncos Avenue, San Juan, PR 00901  
Tel: 787-729-6905 ext. 3054; Fax: 787-729-6906

-----Original Message-----

From: Soto.Jose@epamail.epa.gov [mailto:Soto.Jose@epamail.epa.gov]  
Sent: Thursday, December 16, 2010 4:04 PM  
To: Castillo, Sindulfo SAJ  
Subject: Re: Via Verde Project (UNCLASSIFIED)

Saludos!

Casualmente estuve afinando unos detalles esta mañana. Espero que salgan a mas tardar mañana. Cualquier cosa te dejo saber.

Jose Soto  
Multimedia Permits and Compliance Branch  
Phone: (787) 977-5829

From: "Castillo, Sindulfo SAJ" <Sindulfo.Castillo@usace.army.mil>  
To: Jose Soto/R2/USEPA/US@EPA  
Date: 12/16/2010 03:55 PM  
Subject: Via Verde Project (UNCLASSIFIED)

---

Classification: UNCLASSIFIED  
Caveats: FOUO

Saludos Jose,

Te escribo para preguntarte sobre sus comentarios del anuncio público sobre el proyecto Via Verde. A estos momentos no hemos recibido nada de ustedes. Favor dejarme saber sobre su participación ya que el Domingo, Dic 19 es el último día para comentarios. Gracias.

Felicidades!

Sindulfo Castillo, P.E.  
Chief, Antilles Regulatory Section  
400 Fernandez Juncos Avenue, San Juan, PR 00901  
Tel: 787-729-6905 ext. 3054; Fax: 787-729-6906

Use the link below for: Map to our office, FAQ's, Contact info, Our Statutes, Regulations, AVATAR Guide To Fill Out Applications, Public Notices & More.  
<http://www.saj.usace.army.mil/Divisions/Regulatory/index.htm>  
<<http://www.saj.usace.army.mil/Divisions/Regulatory/index.htm>>

Pending permit status is available online.  
<http://www.saj.usace.army.mil/Divisions/Regulatory/pendPermit/index.htm>  
<<http://www.saj.usace.army.mil/Divisions/Regulatory/pendPermit/index.htm>>

Please assist us in better serving you! Please complete the customer survey by clicking on the following link: <http://per2.nwp.usace.army.mil/survey.html>  
<<http://per2.nwp.usace.army.mil/survey.html>>

Classification: UNCLASSIFIED  
Caveats: FOUO

Classification: UNCLASSIFIED  
Caveats: FOUO

Re: VIA Verde comment letter - REVISED

Stephanie Lamster

to:

Jose Soto

12/16/2010 05:23 PM

Cc:

Carl Soderberg, Daniel Montella, Grace Musumeci, Jose Font, Mario DelVicario, Teresita Rodriguez

Show Details

Hi Jose,

I think the following changes should be made before the letter goes out:

- At the top of the second page it says "while PREPA sustains..." I think a better word than "sustains" would be "maintains" so it would read: "while PREPA maintains...."

- In the third paragraph on the second page, the sentence that says "While PREPA has offered to be vigilant of such impact..." I think it should say "impacts" (as opposed to impact).

Dan, I neither Grace nor myself will be in the office tomorrow so it is probably best to keep us off the concurrence.

Thanks,  
Stephanie

\*\*\*\*\*

Stephanie Lamster Brandt  
Endangered Species Coordinator  
U.S. Environmental Protection Agency  
Region 2  
(212) 637-3465

-----Jose Soto/R2/USEPA/US wrote: -----

To: Carl Soderberg/R2/USEPA/US@EPA, Jose Font/R2/USEPA/US@EPA, Teresita Rodriguez/R2/USEPA/US@EPA, Daniel Montella/R2/USEPA/US@EPA  
From: Jose Soto/R2/USEPA/US  
Date: 12/16/2010 03:30PM  
Cc: Mario DelVicario/R2/USEPA/US@EPA, Stephanie Lamster/R2/USEPA/US@EPA, Grace Musumeci/R2/USEPA/US@EPA  
Subject: VIA Verde comment letter - REVISED

Attached is a revised copy of the Via Verde comment letter. I received a message from Sindulfo Castillo at the Corps stressing the December 19 deadline. I hope the letter can be finalized by close-of-business tomorrow.

Dan, If you agree to this version, would you be so kind as to begin the concurrence process at your end? Thanks!

If you have any comments or need any additional information, please contact me at your convenience.

Jose Soto  
Multimedia Permits and Compliance Branch

Phone: (787) 977-5829

AWL (Wed & Fri): 939-717-4858 or 787-250-8743

*(See attached file: Via verde 2.docx)*

[attachment "Via verde 2.docx" removed by Stephanie Lamster/R2/USEPA/US]



Re: PREPA's Via Verde comment letter - URGENT!!!

Daniel Montella

to:

Jose Soto

12/16/2010 05:45 PM

Show Details

was out of the office today. The MOA says that due dates for all PN responses default to the following business day, so the letter would be due Monday

- Dan

7. Days referred to in this MOA are calendar days. If the end of the specified time period falls on a weekend or a holiday, the last calendar day will be the first business day following the weekend or holiday. The end of the specific time period shall mean the close of the business day on the last day of the specified time period.

-----Jose Soto/R2/USEPA/US wrote: -----

To: Carl Soderberg/R2/USEPA/US@EPA, Daniel Montella/R2/USEPA/US@EPA, Stephanie Lamster/R2/USEPA/US@EPA  
From: Jose Soto/R2/USEPA/US  
Date: 12/16/2010 12:01PM  
Cc: Jose Font/R2/USEPA/US@EPA, Teresita Rodriguez/R2/USEPA/US@EPA  
Subject: PREPA's Via Verde comment letter - URGENT!!!

Hello to all!

Working for a 40th anniversary event last week, I lost track of the timing for the Via Verde comment letter. Luckily, we are still within the allotted time frame, which will expire on December 19. Since that date falls on a weekend, I believe we should try to send this by tomorrow afternoon. Please review the attached draft and provide any comments as soon as possible so that we can begin the concurrence process and have the letter signed by Carl.  
Thanks!

Jose Soto  
Multimedia Permits and Compliance Branch  
Phone: (787) 977-5829

(See attached file: *via verde.docx*)

[attachment "via verde.docx" removed by Daniel Montella/R2/USEPA/US]

Re: VIA Verde comment letter - REVISED

Daniel Montella

to:

Jose Soto

12/16/2010 06:17 PM

Cc:

Carl Soderberg, Grace Musumeci, Jose Font, Mario DelVicario, Stephanie Lamster, Teresita Rodriguez, David Pohle, Robert Montgomerie

Show Details

History: This message has been replied to.

I understand he might prefer to have all comments by Sunday, 12/19, but our deadline is 12/20. The 404(q) MOA, (<http://water.epa.gov/lawsregs/guidance/wetlands/dispmoa.cfm>) which governs all PN responses - not just 404(q) letters, specifically says in Section 1, paragraph 7, (concerning all timeframes referred to in the MOA, including PN comment periods) that "...if the end of the specified time period falls on a weekend or a holiday, the last calendar day will be the first business day following the weekend or holiday."

- Dan

-----Jose Soto/R2/USEPA/US wrote: -----

To: Carl Soderberg/R2/USEPA/US@EPA, Jose Font/R2/USEPA/US@EPA, Teresita Rodriguez/R2/USEPA/US@EPA, Daniel Montella/R2/USEPA/US@EPA  
From: Jose Soto/R2/USEPA/US  
Date: 12/16/2010 03:30PM  
Cc: Mario DelVicario/R2/USEPA/US@EPA, Stephanie Lamster/R2/USEPA/US@EPA, Grace Musumeci/R2/USEPA/US@EPA  
Subject: VIA Verde comment letter - REVISED

Attached is a revised copy of the Via Verde comment letter. I received a message from Sindulfo Castillo at the Corps stressing the December 19 deadline. I hope the letter can be finalized by close-of-business tomorrow.

Dan, If you agree to this version, would you be so kind as to begin the concurrence process at your end? Thanks!

If you have any comments or need any additional information, please contact me at your convenience.

Jose Soto  
Multimedia Permits and Compliance Branch  
Phone: (787) 977-5829  
AWL (Wed & Fri): 939-717-4858 or 787-250-8743

(See attached file: Via verde 2.docx)

[attachment "Via verde 2.docx" removed by Daniel Montella/R2/USEPA/US]

Mr. José M. Rosado  
Deputy District Engineer for the Antilles  
U.S. Army Corps of Engineers  
Antilles Office  
400 Fernandez Juncos Ave,  
San Juan, PR 00901-3299

Dear Mr. Rosado:

This is in response to permit application number SAJ-2010-02881 (IP-EWG) by Eng. Francisco E. Lopez on behalf of the Puerto Rico Electric Power Authority (PREPA) requesting authorization for the construction and installation of a 92 miles long, 24-inch diameter steel natural gas pipeline. The proposed pipeline would traverse the island of Puerto Rico from Peñuelas to Arecibo, continuing to the municipalities of Toa Baja and San Juan. The project area has been estimated to traverse approximately 1,672 acres. The proposed pipeline would cross 235 rives and/or wetland areas, resulting in an estimated impact to 369 acres of jurisdictional waters of the United States. This project is intended to deliver an alternate fuel source to three existing power plants.

Based upon our review of the information contained in the Public Notice for the project, it is the Environmental Protection Agency's (EPA) opinion that the applicant has not fully justified the need to impact aquatic resources along the proposed route, nor has he proposed adequate compensation for such impacts. Furthermore, EPA believes that an EIS is necessary to fully evaluate the impacts of this extensive project.

After evaluating the available information, we believe that the applicant has failed to adequately address the need to construct the proposed pipeline. While we strongly endorse the use of alternative energy sources that result in lesser environmental impacts, we believe that other green sources of energy that minimize PREPA's dependence on fossil fuels, such as eolic and solar energy, should also be explored. EPA understands the potential limitations of these technologies in Puerto Rico due to space issues and the high demand for electric power. We also understand PREPA's desire to continue operating existing power plants rather than construct new, expensive facilities. However, the use of liquefied natural gas (LNG) as an alternative to bunker fuel must be carefully weighed due to its handling and safety issues, which in this case pose significant challenges due to the distance and varied topography to be traversed by the proposed pipeline.

In addition to a proper justification for the use of LNG as an alternative fuel source, EPA has determined that other alternatives which may result in lesser impacts to

wetland areas appear to be available. While PREPA sustains that the construction of terminals to receive liquid natural gas (LNG) from tankers near the power plants were evaluated, no supporting data to determine the practicability of such alternative was presented. Since a facility for the delivery of LNG already exists at Peñuelas, PREPA should evaluate whether the construction of an alternative terminal near one of the north coast power plants, along with the installation of a shorter length of pipeline between Arecibo and Toa Baja, would satisfy the project purpose with less impacts to aquatic resources. While EPA agrees that impacts from the construction of a marine LNG terminal may also be significant, EPA estimates that suitable sites which may result in fewer impacts could be available and should be explored. In the case that a suitable location for such a facility is determined to be feasible, PREPA must also analyze impacts to the aquatic resources of the area and determine a way to offset such impacts through compensatory mitigation.

Upon our evaluation of the proposed project, concerns regarding the use of directional drilling methods to minimize impacts to jurisdictional waters of the United States arose, particularly in karst terrain areas. In the past, directional drilling has resulted in major impacts to the environment in other projects in the Caribbean when the drilling mud leaked into the surrounding environment. Due to the nature of karst terrain, we are concerned that any spill of drilling mud may contaminate groundwater or reach other jurisdictional waters which were not evaluated as part of this review. If PREPA, manages to successfully demonstrate the need for the project and to bring the project to compliance with Section 404 (b)(1) guidelines, the risks of directional drilling should be thoroughly analyzed. In conjunction with such analysis, PREPA must establish appropriate mechanisms to monitor the drilling operations so that any escape of drilling mud is detected immediately and steps are taken to minimize potential impacts.

Furthermore, PREPA has failed to propose adequate compensation to offset any impacts to jurisdictional areas which would result from the proposed project. The wetlands to be traversed by the project are diverse, but all provide important functions such as flood water storage and the filtering of contaminants which may otherwise reach other aquatic resources. While PREPA has conceptually proposed the use of horizontal directional drilling and vertical wall trenching, among other measures, as means to avoid and minimize impacts to wetland areas, we believe that additional analysis to identify the nature and extent of both temporary and potentially permanent impacts at each jurisdictional area are needed in order to fully evaluate the project. While PREPA has offered to be vigilant of such impact in order to immediately determine whether compensatory mitigation is required at any area along the project corridor, there is no specific plan to address the need for such compensatory mitigation areas, nor is there an adequate plan to establish them, other than lowering elevations and establishing herbaceous wetland vegetation. EPA is concerned about this proposal, since there is no way to determine how the process of identifying the need for compensatory mitigation will be carried out. In a similar manner, we are also concerned about the measures to be taken to determine whether any mitigation site will be successful based on the criteria identified in the public notice. Furthermore, EPA believes that any compensatory mitigation required for permanent impacts should be at a minimum of a 1:1 ratio.

After carefully considering the challenges associated with this project, EPA strongly feels that an Environmental Impact Statement (EIS) would be more appropriate than an Environmental Assessment (EA) for the proposed Via Verde Natural Gas Pipe Line. As highlighted in the public notice, the project covers 1,672 acres and will traverse 235 rivers and wetlands, covering 369 acres of jurisdictional waters of the United States. Additionally, 32 threatened or endangered species occur throughout Puerto Rico. The public notice states that the impacts of the project are expected to be temporary in nature, however the impacts on threatened and endangered species could be extensive, as demonstrated by the fact that a formal versus informal Endangered Species Act consultation will be completed for the project. In light of the fact that the consultation has not been completed, and given the span and scope of the project, EPA feels that an EIS is necessary to evaluate the full impact of the project.

In summary, we consider that the project purpose, as stated by PREPA (“to deliver an alternate fuel source to three existing electric power generating facilities”) has not been fully justified by the applicant. EPA also believes that the Via Verde project could have substantial and unacceptable impacts to the aquatic resources in its right of way, and that adequate compensatory mitigation has not been offered to offset such impacts. Furthermore, it is EPA’s opinion that an EIS is needed in order to properly evaluate the project’s impacts. Therefore EPA recommends the denial of a permit for this project in its current form.

If you have any questions regarding this matter, please contact me at (787) 977-5870 or have your staff contact José Soto, of the Multimedia Permits and Compliance Branch, at (787) 977-5829.

Sincerely,

Car-Axel P. Soderberg  
Director

cc: USFWS - Boquerón, PR  
DNER - San Juan, PR  
PRPB - San Juan, PR

{In Archive} Via Verde letter

Jose Soto

to:

Jose Font

12/17/2010 02:36 PM

Bcc:

Idalys Torres

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Archive: This message is being viewed in an archive.

Jose,

This is the latest draft, which corrects a few minor typos. Thanks!

Mr. José M. Rosado  
Deputy District Engineer for the Antilles  
U.S. Army Corps of Engineers  
Antilles Office  
400 Fernandez Juncos Ave,  
San Juan, PR 00901-3299

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In addition to a proper justification for the use of LNG as an alternative fuel source, EPA has determined that other alternatives which may result in lesser impacts to

wetland areas appear to be available. While PREPA maintains that the construction of terminals to receive liquid natural gas (LNG) from tankers near the power plants were evaluated, no supporting data to determine the practicability of such alternative was presented. Since a facility for the delivery of LNG already exists at Peñuelas, PREPA should evaluate whether the construction of an alternative terminal near one of the north coast power plants, along with the installation of a shorter length of pipeline between Arecibo and Toa Baja, would satisfy the project purpose with less impacts to aquatic resources. While EPA agrees that impacts from the construction of a marine LNG terminal may also be significant, EPA estimates that suitable sites which may result in fewer impacts could be available and should be explored. In the case that a suitable location for such a facility is determined to be feasible, PREPA must also analyze impacts to the aquatic resources of the area and determine a way to offset such impacts through compensatory mitigation.

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After carefully considering the challenges associated with this project, EPA strongly feels that an Environmental Impact Statement (EIS) would be more appropriate than an Environmental Assessment (EA) for the proposed Via Verde Natural Gas Pipe Line. As highlighted in the public notice, the project covers 1,672 acres and will traverse 235 rivers and wetlands, covering 369 acres of jurisdictional waters of the United States. Additionally, 32 threatened or endangered species occur throughout Puerto Rico. The public notice states that the impacts of the project are expected to be temporary in nature, however the impacts on threatened and endangered species could be extensive, as demonstrated by the fact that a formal versus informal Endangered Species Act consultation will be completed for the project. In light of the fact that the consultation has not been completed, and given the span and scope of the project, EPA feels that an EIS is necessary to evaluate the full impact of the project.

In summary, we consider that the project purpose, as stated by PREPA ("to deliver an alternate fuel source to three existing electric power generating facilities") has not been fully justified by the applicant. EPA also believes that the Via Verde project could have substantial and unacceptable impacts to the aquatic resources in its right of way, and that adequate compensatory mitigation has not been offered to offset such impacts. Furthermore, it is EPA's opinion that an EIS is needed in order to properly evaluate the project's impacts. Therefore EPA recommends the denial of a permit for this project in its current form.

If you have any questions regarding this matter, please contact me at (787) 977-5870 or have your staff contact José Soto, of the Multimedia Permits and Compliance Branch, at (787) 977-5829.

Sincerely,

Car-Axel P. Soderberg  
Director

cc: USFWS - Boquerón, PR  
DNER - San Juan, PR  
PRPB - San Juan, PR

{In Archive} Re: VIA Verde comment letter - REVISED

Jose Soto

to:

David Pohle

12/17/2010 02:41 PM

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Archive: This message is being viewed in an archive.

Right. But Carl has raised hell with the letter, so a lot may change by Monday. I believe Jose Font spoke to Barbara Finazzo already, and they agreed to discuss the letter some more... I'll keep you and Dan in the loop, but I don't see anything happening before Monday morning.

-----David Pohle/R2/USEPA/US wrote: -----

To: Jose Soto/R2/USEPA/US@EPA  
 From: David Pohle/R2/USEPA/US  
 Date: 12/17/2010 01:29PM  
 Subject: Re: VIA Verde comment letter - REVISED

Jose,

I presume you are making these changes. Correct?

Dave

Daniel Montella---12/17/2010 09:35:31 AM---From: Daniel Montella/R2/USEPA/US To: David Pohle/R2/USEPA/US@EPA, Jose Soto/R2/USEPA/US@EPA, Robert Montgomerie/R2/USEPA/US@EP

From: Daniel Montella/R2/USEPA/US  
 To: David Pohle/R2/USEPA/US@EPA, Jose Soto/R2/USEPA/US@EPA, Robert Montgomerie/R2/USEPA/US@EPA  
 Date: 12/17/2010 09:35 AM  
 Subject: Re: VIA Verde comment letter - REVISED

Today's my flex day, so I don't want to spend the day editing a letter, so here are my thoughts:

This para is more of a NEPA issue, so I defer to our nepa people, we are generally not supposed to question the inherent "need" for something, like a pipeline, mall, or road, but instead focus of the range of alternatives available in which to accomplish the basic purpose.

After evaluating the available information, we believe that the applicant has failed to adequately address the need to construct the proposed pipeline. While we strongly endorse the use of alternative energy sources that result in lesser environmental impacts, we believe that other green sources of energy that minimize PREPA's dependence on fossil fuels, such as eolic and solar energy, should also be explored. EPA understands the potential limitations of these technologies in Puerto Rico due to space issues and the high demand for electric power. We also understand PREPA's desire to continue

operating existing power plants rather than construct new, expensive facilities. However, the use of liquefied natural gas (LNG) as an alternative to bunker fuel must be carefully weighed due to its handling and safety issues, which in this case pose significant challenges due to the distance and varied topography to be traversed by the proposed pipeline.

Typo in this sentence (extra space): If PREPA, manages to successfully demonstrate the need for the project and to bring t he project to compliance with Section 404 (b)(1) guidelines, the risks of directional drilling should be thoroughly analyzed

On the subject of mitigation, you might consider citing the new regs if we think the proposal is not in compliance them.

Furthermore, PREPA has failed to propose adequate compensation to offset any impacts to jurisdictional areas which would result from the proposed project. The wetlands to be traversed by the project are diverse, but all provide important functions such as flood water storage and the filtering of contaminants which may otherwise reach other aquatic resources. While PREPA has conceptually proposed the use of horizontal directional drilling and vertical wall trenching, among other measures, as means to avoid and minimize impacts to wetland areas, we believe that additional analysis to identify the nature and extent of both temporary and potentially permanent impacts at each jurisdictional area are needed in order to fully evaluate the project. While PREPA has offered to be vigilant of such impact in order to immediately determine whether compensatory mitigation is required at any area along the project corridor, there is no specific plan to address the need for such compensatory mitigation areas, nor is there an adequate plan to establish them, other than lowering elevations and establishing herbaceous wetland vegetation. EPA is concerned about this proposal, since there is no way to determine how the process of identifying the need for compensatory mitigation will be carried out. In a similar manner, we are also concerned about the measures to be taken to determine whether any mitigation site will be successful based on the criteria identified in the public notice. Furthermore, EPA believes that any compensatory mitigation required for permanent impacts should be at a minimum of a 1:1 ratio.as for mitigation

in the summary, I think that we might appear to be overstepping 404 a bit if we simply question the "justification" for alternate fuel. Unless we clearly make the call from a NEPA angle, I'd look at questioning the alt analysis, or say that the project prupose is so narrow as to preclude the proper examination of alts. Otherwise we open the door to the Corps discounting our comment as "outside of 404" w/o a 404(q) letter, they have no obligation of any further coordination with us

In summary, we consider that the project purpose, as stated by PREPA ("to deliver an alternate fuel source to three existing electric power generating facilities") has not been fully justified by the applicant.

- Dan

-----David Pohle/R2/USEPA/US wrote: -----

To: Daniel Montella/R2/USEPA/US@EPA  
 From: David Pohle/R2/USEPA/US  
 Date: 12/16/2010 05:43PM

Subject: Re: VIA Verde comment letter - REVISED

OK. Thanks. I was thinking that this is an RA letter.

Daniel Montella---12/16/2010 05:38:46 PM---they would finalize it, not us, but they would fax us a concurrence page for us to concur on (Mario)

From: Daniel Montella/R2/USEPA/US  
To: David Pohle/R2/USEPA/US@EPA  
Date: 12/16/2010 05:38 PM  
Subject: Re: VIA Verde comment letter - REVISED

---

they would finalize it, not us, but they would fax us a concurrence page for us to concur on (Mario) & then fax back. I'll look at the letter tonight/tomorrow morning, but I don't see the need to rush it out to door tomorrow

- Dan

-----David Pohle/R2/USEPA/US wrote: -----

To: Daniel Montella/R2/USEPA/US@EPA  
From: David Pohle/R2/USEPA/US  
Date: 12/16/2010 05:31PM  
Subject: Re: VIA Verde comment letter - REVISED

If you intended to send me the letter to have it finalized, you accidently did not include the attachment.

Daniel Montella---12/16/2010 05:17:19 PM---I understand he might prefer to have all comments by Sunday, 12/19, but our deadline is 12/20. The

From: Daniel Montella/R2/USEPA/US  
To: Jose Soto/R2/USEPA/US@EPA  
Cc: Carl Soderberg/R2/USEPA/US@EPA, Grace Musumeci/R2/USEPA/US@EPA, Jose Font/R2/USEPA/US@EPA, Mario DelVicario/R2/USEPA/US@EPA, Stephanie Lamster/R2/USEPA/US@EPA, Teresita Rodriguez/R2/USEPA/US@EPA, David Pohle/R2/USEPA/US@EPA, Robert Montgomerie/R2/USEPA/US@EPA  
Date: 12/16/2010 05:17 PM  
Subject: Re: VIA Verde comment letter - REVISED

---

I understand he might prefer to have all comments by Sunday, 12/19, but our deadline is 12/20. The 404(q) MOA, (<http://water.epa.gov/lawsregs/guidance/wetlands/disprmoa.cfm>) which governs all PN responses - not just 404(q) letters, specifically says in Section 1, paragraph 7, (concerning all timeframes referred to in the MOA, including PN comment periods) that "...if the end of the specified time period falls on a weekend or a holiday, the last calendar day will be the first business day following the weekend or holiday."

- Dan

-----Jose Soto/R2/USEPA/US wrote: -----

To: Carl Soderberg/R2/USEPA/US@EPA, Jose Font/R2/USEPA/US@EPA, Teresita Rodriguez/R2/USEPA/US@EPA,

Daniel Montella/R2/USEPA/US@EPA  
From: Jose Soto/R2/USEPA/US  
Date: 12/16/2010 03:30PM  
Cc: Mario DeVicario/R2/USEPA/US@EPA, Stephanie  
Lamster/R2/USEPA/US@EPA, Grace Musumeci/R2/USEPA/US@EPA  
Subject: VIA Verde comment letter - REVISED

Attached is a revised copy of the Via Verde comment letter. I received a message from Sindulfo Castillo at the Corps stressing the December 19 deadline. I hope the letter can be finalized by close-of-business tomorrow.

Dan, If you agree to this version, would you be so kind as to begin the concurrence process at your end? Thanks!

If you have any comments or need any additional information, please contact me at your convenience.

Jose Soto  
Multimedia Permits and Compliance Branch  
Phone: (787) 977-5829  
AWL (Wed &, Fri): 939-717-4858 or 787-250-8743

*(See attached file: Via verde 2.docx)*

[attachment "Via verde 2.docx" removed by Daniel Montella/R2/USEPA/US][attachment "Wd0000003.doc" deleted by David Pohle/R2/USEPA/US]

Mr. José M. Rosado  
Deputy District Engineer for the Antilles  
U.S. Army Corps of Engineers  
Antilles Office  
400 Fernandez Juncos Ave,  
San Juan, PR 00901-3299

RE: Public Notice Number SAJ-2010-02881 (IP-EWG)

Dear Mr. Rosado:

We are in receipt of the above Public Notice (PN) describing the Puerto Rico Electric Power Authority's (PREPA) request to obtain Department of the Army authorization for construction of a natural gas pipeline project that will pass through the municipalities of Peñuelas, Adjuntas, Utuado, Arecibo, Barceloneta, Manati, Vega Alta, Vega Baja, Dorado, Toa Baja, Cataño, Bayamón, and Guaynabo, Puerto Rico. The pipeline, known as Via Verde, would be approximately 92 miles long and 24 inches in diameter with a right-of-way 150 feet wide. The total project area is approximately 1,672 acres and the pipeline would traverse 235 rivers and wetlands, resulting in an estimated impact to 369 acres of jurisdictional waters of the United States. The applicant's stated purpose for this project is to deliver an alternate fuel source to three existing electric power generating facilities located in Penuelas, Arecibo, and Toa Baja.

EPA also has concerns regarding the use of directional drilling, particularly in karst terrain areas. In the past and on other projects in the Caribbean, directional drilling has resulted in major impacts when the drilling mud leaked into the surrounding environment. Due to the nature of karst terrain, we are concerned that any spill of drilling mud may contaminate groundwater or reach other aquatic resources which were not evaluated as part of this review. If PREPA complies with the Clean Water Act Section 404 (b)(1) guidelines, the risks of directional drilling must be thoroughly analyzed. In conjunction with such analysis, PREPA must establish appropriate mechanisms to monitor the drilling operations so that any escape of drilling mud is detected immediately as well as identify steps to be taken to minimize potential impacts of an escape.

Furthermore, PREPA has failed to propose adequate compensation to offset any impacts to jurisdictional areas which would result from the proposed project. While PREPA has proposed the use of horizontal directional drilling and vertical wall trenching, among other measures, to avoid and minimize impacts to wetlands, additional analysis to identify the nature and extent of both temporary and potentially permanent impacts at

each jurisdictional area will be needed. We acknowledge that PREPA has offered to be vigilant of such impacts in order to immediately determine whether mitigation is required at any area along the project corridor; but, specific plans to address the need for mitigation must be identified in advance. EPA is also concerned about the criteria identified in the PN for determining whether mitigation sites will be successful. Finally with regard to mitigation, EPA believes that any compensatory mitigation required for permanent impacts should be at a minimum of a 1:1 ratio.

In summary,. EPA also believes that the Via Verde project could have substantial impacts to the aquatic resources and that adequate compensatory mitigation has not been offered to offset such impacts. Furthermore, it is EPA's opinion that an EIS is needed to properly evaluate the project's impacts.

If you have any questions regarding this matter, please contact Teresita Rodriguez at (787) 977-5864 or have your staff contact José Soto of the Multimedia Permits and Compliance Branch at (787) 977-5829.

Sincerely,

Carl-Axel P. Soderberg  
Director

cc: USFWS - Boquerón, PR  
DNER - San Juan, PR  
PRPB - San Juan, PR

bcc: J. Soto  
D. Montella  
G. Musumeci



**Re: PREPA NATURAL GAS PIPELINE**  
Barbara Finazzo to: Carl Soderberg  
Cc: Jose Soto, Teresita Rodriguez

12/20/2010 03:02 PM

Thanks, Carl. We are looking this over and I will call you in about an hour with our reaction.

Carl Soderberg

Here is my edited version of the letter It covers...

12/20/2010 01:00:46 PM

From: Carl Soderberg/R2/USEPA/US  
To: Barbara Finazzo/R2/USEPA/US@EPA  
Cc: Teresita Rodriguez/R2/USEPA/US@EPA, Jose Soto/R2/USEPA/US@EPA  
Date: 12/20/2010 01:00 PM  
Subject: PREPA NATURAL GAS PIPELINE

---

[attachment "Via verde rewrite.12.20.2010.doc" deleted by Barbara Finazzo/R2/USEPA/US]

Here is my edited version of the letter It covers three issues: mitigation, drilling and federal EIS.



**Via Verde Letter - Revised After Phone Call**

**Teresita Rodriguez** to: Barbara Finazzo

Cc: Carl Soderberg, Grace Musumeci, Jose Soto, Daniel Montella

12/20/2010 05:42 PM

Hi Barbara,

Attached you'll find a version of the Via Verde letter which we believe incorporates the points discussed during the phone conversation. Please, let us know if you are in agreement or if further discussion is needed before your and Carl's call with George P. tomorrow morning.

Thanks,

Tere



Via Verde consensus language 2.docx



Mr. José M. Rosado  
Deputy District Engineer for the Antilles  
U.S. Army Corps of Engineers  
Antilles Office  
400 Fernandez Juncos Ave,  
San Juan, PR 00901-3299

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Dear Mr. Rosado:

We are in receipt of the above Public Notice (PN) describing the Puerto Rico Electric Power Authority's (PREPA) request to obtain Department of the Army authorization for construction of a natural gas pipeline project that will pass through the municipalities of Peñuelas, Adjuntas, Utuado, Arecibo, Barceloneta, Manati, Vega Alta, Vega Baja, Dorado, Toa Baja, Cataño, Bayamón, and Guaynabo, Puerto Rico. The pipeline, known as Via Verde, would be approximately 92 miles long and 24 inches in diameter with a right-of-way 150 feet wide. The total project area is approximately 1,672 acres and the pipeline would traverse 235 rivers and wetlands, resulting in an estimated impact to 369 acres of jurisdictional waters of the United States. The applicant's stated purpose for this project is to deliver an alternate fuel source to three existing electric power generating facilities located in Peñuelas, Arecibo, and Toa Baja.

After evaluating the information contained in the November 19, 2010 PN, the Environmental Protection Agency (EPA) believes that the applicant has not adequately demonstrated the need for the proposed pipeline in accordance with the Clean Water Act Section 404(b)(1) Guidelines requirements. The applicant must better document the need for a natural gas pipeline by presenting a more thorough alternatives analysis. Such analysis should evaluate other fuel sources other than natural gas since the stated purpose does not specify fuel type, the construction of an alternative terminal near one of the north coast power plants and the installation of a shorter length pipeline between Arecibo and Toa Baja.

EPA also has concerns regarding the use of directional drilling, particularly in karst terrain areas. In the past and on other projects in the Caribbean, directional drilling has resulted in major impacts when the drilling mud leaked into the surrounding environment. Due to the nature of karst terrain, we are concerned that any spill of drilling mud may contaminate groundwater or reach other aquatic resources which were not evaluated as part of this review.



If PREPA complies with the needs requirement of the Clean Water Act Section 404 (b)(1) guidelines, the risks of directional drilling must be thoroughly analyzed. In conjunction with such analysis, PREPA must establish appropriate mechanisms to monitor the drilling operations so that any escape of drilling mud is detected immediately as well as identify steps to be taken to minimize potential impacts of an escape.

Furthermore, PREPA has not proposed adequate compensation to offset any impacts to jurisdictional areas which would result from the proposed project. While PREPA has proposed the use of horizontal directional drilling and vertical wall trenching, among other measures, to avoid and minimize impacts to wetlands, additional analysis to identify the nature and extent of both temporary and potentially permanent impacts at each jurisdictional area will be needed. We acknowledge that PREPA has offered to be vigilant of such impacts in order to immediately determine whether mitigation is required at any area along the project corridor; but, specific plans to address the need for mitigation must be identified in advance. EPA is also concerned about the criteria identified in the PN for determining whether mitigation sites will be successful. Finally with regard to mitigation, EPA believes that any compensatory mitigation required for permanent impacts should be at a minimum of a 1:1 ratio.

After carefully considering the challenges associated with this project, EPA recommends that an environmental impact statement (EIS) rather than an environmental assessment (EA) be prepared for this project. As highlighted in the PN, the project covers a large area and impacts many rivers and wetlands. Though the wetlands to be traversed are diverse in nature, all provide the important functions of flood water storage and filtration of contaminants that would otherwise reach other aquatic resources. These indirect impacts associated with the loss of wetlands also need to be evaluated. The PN states that the impacts of the project are expected to be temporary in nature; however, the impacts to threatened and endangered species could be extensive, as demonstrated by the fact that a formal versus informal Endangered Species Act (ESA) consultation is being undertaken for the project.

In summary, EPA believes that the Via Verde project could have substantial impacts to aquatic resources and that adequate compensatory mitigation has not been offered to offset such impacts. Furthermore, an EIS is needed to properly evaluate the project's impacts. Therefore, it is EPA's position that a permit for this project be held in abeyance until our concerns are addressed.

If you have any questions regarding this matter, please contact me at (787) 977-5801 or have your staff contact José Soto of the Multimedia Permits and Compliance Branch at (787) 977-5829.

Sincerely,

Carl-Axel P. Soderberg  
Director



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cc: USFWS - Boquerón, PR  
DNER - San Juan, PR  
PRPB - San Juan, PR

bcc: J. Soto  
D. Montella  
G. Musumeci





**Re: Via Verde Letter - Revised After Phone Call**  
**Barbara Finazzo** to: Teresita Rodriguez  
Cc: Carl Soderberg, Grace Musumeci, Jose Soto, Daniel Montella

12/20/2010 08:18 PM

This looks ok to me. Will bring a copy for George. Thanks all for working this thru. It is appreciated.

Barbara  
Sent by EPA Wireless E-Mail Services  
Teresita Rodriguez

----- Original Message -----

**From:** Teresita Rodriguez  
**Sent:** 12/20/2010 05:42 PM AST  
**To:** Barbara Finazzo  
**Cc:** Carl Soderberg; Grace Musumeci; Jose Soto; Daniel Montella  
**Subject:** Via Verde Letter - Revised After Phone Call

Hi Barbara,

Attached you'll find a version of the Via Verde letter which we believe incorporates the points discussed during the phone conversation. Please, let us know if you are in agreement or if further discussion is needed before your and Carl's call with George P. tomorrow morning.

Thanks,

Tere

[attachment "Via Verde consensus language 2.docx" deleted by Barbara Finazzo/R2/USEPA/US]

