Economic & Environmental Issues Related to Energy-Handling Facilities

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AAPA
MARITIME ECONOMIC DEVELOPMENT
ENERGY PROJECTS SEMINAR
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PENSACOLA, FL.
Many Parts to the System

Every Product and Every Community is Different

- Docks and Waterways
- Terminal and Yards
- Transportation System
- Origin of the Resource

- Ports are both Public and Private
- Rail system ownership primarily in private hands
- Roads are public assets
- The responsibility for tackling many of the challenges will fall on a combination of the parties.
Economic Value to the Community

- Geographical Location of investors/owners
  - Within the Community, Region, US or off-shore?

- Labor Needs - where will the workers come from?
  - Construction Phase
    - Does your community have the skilled workforce to meet the construction needs of the facility and related Infrastructure?
    - Are you going to have to import labor in the short-term?
Economic Value to the Community

- Labor Needs - where will the workers come from?
- Operating Phase
  - Does your community have the skills to operate the facility?
  - Will maintenance and other technical skills be on-site or only brought in on a periodic or emergency basis?
  - Where will these highly skilled workers come from? Local, regional, etc.
Economic Value to the Community

- Construction Materials - facility and infrastructure
  - Are they available within the Community, Region, US or off-shore?

- What is the energy needs of the facility?
  - High vs. Low
  - Electric vs. Gas

- What are the Transportation needs?
  - Construction Phase
  - On-going Operations
Economic Development Issues

- Concerns by Citizens over many issues:
  - Land values / Assessed Values – both of the County in general and their own
  - Community Services
  - Jobs
  - Wages
  - Taxes
Environmental Issues

- Concerns (Fears) by Citizens over many issues:
  - Views
  - Quality of Life
  - Water Quality
  - Air Quality
  - Congestion
It not just about Energy Terminal!

It’s Accountability Time for Seattle Port Commissioners

Port of Seattle: Gateway to Arctic Drilling?

The Port claims to be “the Green Gateway for trade” and employs a jaunty green slogan, “where a sustainable world is headed.”

But this week officials quietly inked a deal to lease terminal space on Elliott Bay to Shell Oil for its Arctic drilling fleet, one of the most environmentally destructive endeavors on earth.

Source: Sightline Daily
Energy Projects are not treated the Same!
Which filters are you using?

- West coast vs. Gulf coast
  - Urban vs Rural
  - Level of Economic diversification
  - Traditional Economic drivers - Which industries have the traditional jobs come from?
    - Oil Country - TX, Southern CA
    - Coal Country - WY
    - Timber Country - PNW
    - Software Developers - Urbanized Areas near the coasts
# Comparison of Two Private Terminals

<table>
<thead>
<tr>
<th>Facility</th>
<th>Millennium Bulk Longview, WA</th>
<th>Cameron LNG Louisiana</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment</td>
<td>$646 M</td>
<td>$10B</td>
</tr>
<tr>
<td>Job estimate</td>
<td>Redevelopment</td>
<td>Greenfield expansion+ pipeline in current pipeline ROW</td>
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<tr>
<td>Direct - construction</td>
<td>1350</td>
<td>3000</td>
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<tr>
<td>Direct - operations</td>
<td>112</td>
<td>180</td>
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<tr>
<td>Site</td>
<td>Suburban- rural county</td>
<td>Very rural</td>
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<tr>
<td>Residents</td>
<td>Neighborhood within 0.75 miles</td>
<td>Only 2 residences within 0.6 miles of terminal/pipeline</td>
</tr>
<tr>
<td>County unemployment rate</td>
<td>11.1%</td>
<td>3.3%</td>
</tr>
<tr>
<td>Median Household Income</td>
<td>$41k</td>
<td>$62k</td>
</tr>
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</table>
Millennium Bulk

Millennium Bulk Terminals - Longview
Existing and Proposed Port Facilities

Coal Export Stage 2:
- Construct additional infrastructure on site to increase export capacity

Coal Export Stage 1:
- Construct infrastructure to transport coal from trains to storage to ships

Separate Existing Bulk Terminal:
- Millennium is maintaining Dock 1, which is currently used to ship alumina to Wenatchee
- No coal will move over Dock 1

Separate Potential Bulk Terminal:
- Expanded bulk terminal with facilities to store and transport raw materials for manufacturing

Coal Export Stage 1:
- Construct Docks 2 and 3, with a shiploader on Dock 2
- Operate Dock 3 as a berthing dock
- Total export capacity of 25 million metric tonnes/yr

Coal Terminal Stage 1
- Blue
Coal Terminal Stage 2
- Green
Existing Bulk Terminal
- Pink
Potential Bulk Terminal
- Purple
The Sales Pitch

PORT EXPANSION PROJECTS IN THE NORTHWEST
AT-A-GLANCE

EXPANDING PORTS WILL CREATE
11,885 TOTAL JOBS.

GWEN TETERIAL TERMINAL
CHERRY POINT, WA
5,680 JOBS

MILLENIUM BULK TERMINAL
LONGVIEW, WA
2,950 JOBS

MORROW PACIFIC PROJECT
STATELINE OR
3,255 JOBS

ONE IN FOUR JOBS DIRECTLY TIED TO IMPORTS & EXPORTS IN THE PACIFIC NORTHWEST

GWEN TERMINAL $600-700 MILLION
MILLENIUM $646 MILLION
MORROW $242 MILLION

ALMOST $1.5 BILLION AMOUNT PRIVATE INVESTMENT DEVELOPERS PLEDGED TO BUILD THE THREE TERMINALS TO FULL CAPACITY

$25 MILLION ANNUAL TAX REVENUE GENERATED BY PROPOSED EXPORT TERMINALS

Every $ invested in rail infrastructure results in $5 in the economy in terms of jobs, business efficiency, and local and statewide budgets.

$115 MILLION ESTIMATED ANNUAL PAYROLL GENERATED BY PROPOSED EXPORT TERMINALS

$75 BILLION 2012 VALUE OF COMMODITIES EXPORTED THROUGH WASHINGTON PORTS

$12 BILLION AGRICULTURE BULK

$5 BILLION NON-AGRICULTURE BULK

PACIFIC NORTHWEST SUPPORTS COAL EXPORTS

WASHINGTON 56% SUPPORT 27% OPPOSE 17% NO OPINION
OREGON 55% SUPPORT 32% OPPOSE 13% NO OPINION

ALLIANCE FOR NORTHWEST JOBS & EXPORTS

Visit www.CreateWithUs.net to learn more
It’s about Location
Cameron Draft EIS by FERC

- DEIS Issued Jan 2014
- 45 Day Public Comment Period:
  - Public Meeting: 11 speakers (10 in support, 1 comment on a nearby bridge)
  - Additionally 11 written comments were submitted
  - Concerns:
    - Extent of impacts of Corp of Eng. Jurisdictional wetlands (filling over 200 ac of wetlands)
    - Endangered Species Act
    - Environmental Justice
    - Air Emissions during Construction and Ops
    - Indirect effects of project systems alternatives
    - Consideration of alternate site for facility
Environment Efforts

- Already created more than 500 acres of new wetlands with a goals of creating additional acres of marsh wetlands in the coming years.
- To offset the loss of function value within the forested and scrub/shrub wetlands Cameron is going to purchase mitigation credits from the Corp of Engineer’s approved wetland mitigation banks.
Positive Media
Energy Initiatives

Recognizing the different transportation needs of each Business
The Local Community Issues

- **Good Neighbor Policy - Environmentally Friendly Growth**
  - Noise
  - Lights
  - Emissions
  - Grade Crossings
    - Safety
    - Idling

- **Finding the Balance**
  Economic Development for Region vs. Individual agendas
  - Jobs
  - Congestion
  - Tax Revenues to support local community needs
“As you grow older, you will discover that you have two hands, one for helping yourself, the other for helping others.”

- Audrey Hepburn

It’s about bring Good Jobs to our communities to support our kids future
Discussion

- How are you balancing the environmental challenges with the Economic Benefits in your project?

- Any Best Practices that you are willing to share?
Thank You

Working together we can achieve Good jobs and good life for all creatures big and small.
Questions?

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