

Cook Inlet Pipeline Infrastructure Assessment

FY2019 Request: \$200,000
Reference No: 61862

AP/AL: Appropriation **Project Type:** Life / Health / Safety
Category: Health/Human Services
Location: Statewide **House District:** Statewide (HD 1-40)
Impact House District: Statewide (HD 1-40) **Contact:** Kristin Ryan
Estimated Project Dates: 07/01/2018 - 06/30/2023 **Contact Phone:** (907)269-7604

Brief Summary and Statement of Need:

Funds are needed to perform site inventory, integrity/risk assessment, and to develop reduction measures for the Cook Inlet pipeline infrastructure. These actions are needed to determine the condition of the aging and complex pipeline infrastructure and to develop recommendations for future maintenance. Cook Inlet’s existing pipeline infrastructure is roughly 60 years old. The over 200 mile land and sea network moves 3-phase fluid, crude oil, natural gas, and refined petroleum products to/from platforms and on-land storage and processing facilities. A series of loss-of-integrity leaks in the spring of 2017 heightened concerns about pipeline safety and necessitates a comprehensive risk assessment.

Funding:	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>Total</u>
1052 Oil/Haz Fd	\$200,000						\$200,000
Total:	\$200,000	\$0	\$0	\$0	\$0	\$0	\$200,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Prior Funding History / Additional Information:

Project Description/Justification:

This project is intended to fund three phases of risk assessment and risk reduction of the Cook Inlet pipeline infrastructure. The project is essential to mitigate substantial risk to human health or the environment, as provided under AS 46.08.040(2)(A).

The Department of Environmental Conservation is coordinating with the Cook Inlet Regional Citizens Advisory Council to conduct the pipeline integrity assessment and development reduction measures in consultation with an Expert Panel. The Cook Inlet oil/gas operators, Tribes, and the public will provide input on the shared results of the study. The project’s three phases are described below:

Phase I consists of conducting an updated Cook Inlet pipeline inventory and regulatory assessment. Reporting from this phase will summarize the regulatory oversight of Cook Inlet pipelines and develop a pipeline inventory that includes pipeline characteristics, year of installation, and current

leak detection and corrosion control methods. This phase is currently underway with funding committed by the Cook Inlet Regional Advisory Council.

Phase II consists of a pipeline integrity assessment. Reporting from this phase will result in a better understanding of pipeline integrity issues in Cook Inlet. This phase will also involve sharing information with stakeholders and incorporating their feedback. The assessment will draw on spill history, causal analysis of loss-of-integrity spills, investigation/inspection reports, and integrity management plans.

Phase III consists of the development of risk reduction measures for Cook Inlet infrastructure. This final phase will result in a set of risk reduction measures that are clearly defined, operationally applicable to Cook Inlet pipelines, and informed by current technology and best practice. The recommendations will be developed by an Expert Panel and will incorporate recommendations developed for the North Slope in 2010. Their recommendations will be informed by input from the public, Tribal governments, and Cook Inlet oil and gas operators gained through an in-person workshop and comment opportunities.

The estimated costs of risk assessment and reduction is based on historical costs for similar response actions. This request will be implemented with current staff levels and does not require new positions.

This project contributes to meeting the Department’s performance measure to protect public safety, public health, and the environment by preventing oil and hazardous substance releases, and mitigating the effects those releases from regulated and non-regulated sources through planning, preparedness, and rapid response.