

Freeport LNG responds to questions about plant plans

By MARK MALLET | Posted: Sunday, February 5, 2012 2:00 am

Mark Mallett, Freeport LNG vice president of operations and engineering, recently submitted this response to questions posed in a Jan. 29 editorial by The Facts.

How did Freeport LNG decide on the proposed location and are there alternative locations with less impact on residential areas?

Freeport LNG considered a number of factors when searching for a potential location for our natural gas pretreatment facility. First, the size of the property had to be sufficiently large to house the facility as well as provide temporary space for storage of construction equipment and supplies. Freeport LNG determined that 175 acres of land would be required.

Second, the property needed to be adjacent to the existing Freeport LNG 42-inch natural gas pipeline that will carry natural gas to the pretreatment and liquefaction sites. Third, the land needed to be acquired within the timeframe required to meet the project schedule and regulatory filing requirements.

Freeport LNG did not own or control any land that met these requirements. Therefore, we had to find a suitable location. We identified three other potential sites, which were announced in our previous Open Houses. We worked very hard with three separate landowners to purchase or lease any one of the sites for several months but without success.

It was not a money issue. The parties had other plans for their land. That led us to look further. The site on CR 792 was on the market and met all of the criteria needed to safely develop the pretreatment facility. We purchased the land in early November 2011.

Freeport LNG will continue our work during the upcoming facility design and development phases to prevent or reduce impacts on nearby residents.

What is the proposed plant going to look like and what will local residents be looking at, listening to and potentially breathing or ingesting?

The proposed plant will resemble typical gas processing and compression station plants that can be seen throughout Texas and the Gulf Coast region. Preliminary visual models of our proposed plant were presented to those who attended the Open House on Feb. 2.

The computerized models show the pretreatment plant will be only slightly visible from CR 792 and will not dominate the skyline. A greenbelt of trees and landscaping will be added as a “buffer” to block views of the plant from nearby homes.

Regarding noise, Freeport LNG has a step-by-step process to identify noise sensitive areas near its facility. Using computer modeling to determine what the noise levels will be (before any construction begins), Freeport LNG will implement design changes to the plant in order to reduce noise levels to 55 decibels or less at all noise sensitive areas, including right on-site where our own employees will work. This sound level is comparable to the sound level you'd hear standing next to a home refrigerator.

Regarding emissions, all natural gas — including the natural gas used in our home's furnace, water heater, or gas stove — contains very small (or trace) amounts of other compounds such as carbon dioxide, heavy hydrocarbons, hydrogen sulfide, sulfur dioxide, mercury, and water. The concentrations of these compounds are so small that they are not dangerous to public health, but they can affect our equipment at Quintana where the natural gas will be liquefied, so these compounds will be safely removed at the pretreatment facility. Once removed, the carbon dioxide (which is non-hazardous) will be released harmlessly into the air. Heavy hydrocarbons will be shipped off-site by pipeline; hydrogen sulfide will be incinerated in a thermal oven (not burned in a visible flare); sulfur compounds will be converted into sulfur and water vapor; mercury will be converted into non-hazardous mercuric sulfide; water will be re-used for facility operations.

All emissions will be regulated and permitted by the TCEQ and EPA, and will not affect the employees who will work at the facility, or any surrounding communities or neighborhoods.

Does the plant need to be on a waterfront structure?

No. The natural gas pretreatment plant does not need to be on a waterfront structure.

If land cost is an issue, when considering an alternative location are there county tax abatements or economic incentives that could be pursued to relieve this current situation?

Land cost was not an issue in the decision to purchase the acreage off of County Road 792, the proposed location of Freeport LNG's natural gas pretreatment facility. Freeport LNG is pursuing tax abatements available under law, and would seek such tax abatements regardless of the location of the natural gas pretreatment facility. The Commissioner's Court of Brazoria County, the Board of Directors of the Economic Development Alliance for Brazoria, and other civic organizations supported the tax abatements that Freeport LNG requested in order to invest, build, and operate the original Quintana terminal, and we anticipate that good working relationship will continue. Freeport LNG currently pays approximately \$6 million in annual taxes or other payments to the Town of Quintana, Brazoria County (including Brazosport ISD) and the state of Texas.

Has the county or the company given any thought toward compensating the local property owners for any realized loss in real estate values?

Freeport LNG provided compensation to some land owners on Quintana Island that were negatively impacted during the construction of Freeport LNG's Regasification Terminal. Freeport

LNG will take into consideration similar impacts to local property owners during construction of the natural gas pretreatment facility. Since Freeport LNG's terminal was built, home values on Quintana Island have actually increased, not declined.

What do our county commissioners have to say about this project?

Freeport LNG cannot speak for the county commissioners. To date, county commissioners have expressed public support for Freeport LNG's Liquefaction Project, since the project will create thousands of jobs and provide significant, direct economic benefits to Brazoria County. One commissioner has asked Freeport LNG to consider re-locating the proposed location of Freeport LNG's natural gas pretreatment facility.

What will Freeport LNG do if its current proposal is not successful?

Freeport LNG looks forward to working with the community and state, federal and local officials to make the liquefaction project a reality. Freeport LNG seeks to collaborate with its neighbors and local stakeholders in a positive and constructive manner to design and construct the pretreatment facilities. Successful implementation of the liquefaction project will not only grow Freeport LNG's business and employee base, but will also bring quality jobs and significant economic benefits to Brazoria County, Texas and the United States.

Mark Mallett is Freeport LNG vice president of operations and engineering.