



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 2
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OCT - 9 2007

Mr. Leon Sedefian
Air Pollution Meteorologist
New York State Department of Environmental Conservation
Division of Air Resources
625 Broadway
Albany, New York 12233-3254

Re: Ambient Air for the Offshore LNG Broadwater Project

Dear Mr. Sedefian,

This is in response to your March 29, 2007 letter requesting EPA's position on the definition of ambient air particularly with respect to the proposed Broadwater offshore LNG facility in the Long Island Sound. We have consulted with our Office of Air Quality Planning and Standards and they concur with our position. As you state in your letter, EPA defines an exemption from ambient air as "the atmosphere over land owned or controlled by the source and to which public access is precluded by a fence or physical barrier." The significance of this area is that it may be exempted from the modeled assessment of air quality impacts since it is not considered "ambient air" with respect to its own emissions.

As you know, EPA's definition of ambient air does not specifically address this type of situation (i.e., offshore LNG facilities) where the source does not own the area (i.e., there is no real "property" except for the physical structure itself) nor does it have a fence or physical barrier. In the case of Broadwater, the only area that is actually owned by the facility is the circular area formed by the pivoting Floating Storage Regasification Unit (FSRU), its docks and the associated offloading structures. In addition, Broadwater does not have a fence or physical barrier which it controls. However, as you indicated in your letter, the U.S. Coast Guard (USCG) intends to establish a safety and security zone around the proposed LNG facility, which will be monitored (radar detection system in combination with a radio warning system) and enforced by the USCG. This safety zone in effect acts like a fence by precluding public access. In the case of Broadwater, this safety and security zone is currently estimated to be a 1.1 km radius surrounding the FSRU. There is also a secondary safety and security zone surrounding the LNG carrier while it is in transit but Broadwater further clarified in a June 20, 2007 letter to us that they are not proposing to use this as an ambient air boundary. Broadwater is requesting to use the 1.1 km safety and security zone as its boundary to define ambient air.

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In previous permitting decisions involving offshore LNG terminals and drilling operations, EPA Regional offices have used the USCG's safety zone as the boundary for defining ambient air. (In cases where the USCG has chosen not to establish a safety zone, sources have been required to model the immediate area around the proposed source without exempting any portion from ambient air.) In those previous decisions the facilities are located in international waters where international maritime law limits the safety zone to 500 meters plus the length of the vessel. However, since Broadwater's proposed facility will not be located in international waters, the Coast Guard was able to use stricter criteria for determining the safety and security zone, and is considering setting the safety zone for the proposed Broadwater facility at 1.1 km.

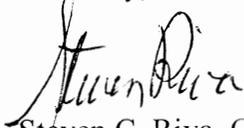
The "safety zone" approach represents a reasonable surrogate for a source's fence or physical barrier and thus could act as an ambient air boundary. Therefore, EPA has determined that it is appropriate for Broadwater to use the Coast Guard's proposed safety and security zone as a surrogate for defining an ambient air boundary around the proposed LNG facility in the Sound.

In addition, you requested clarification regarding the ambient assessment from emission sources inside the ambient air boundary which are not part of Broadwater and Broadwater's impact on them. Specifically, you proposed that emissions from the docked LNG carrier be assessed inside the ambient air boundary since the boundary only pertains to Broadwater itself. In addition, you requested whether air impacts from Broadwater's emissions should be assessed on them.

In order to address this question we would like to note that in a May 3, 2007 letter from EPA (Bill Harnett, Director, Air Quality Policy Division) to Broadwater, we indicated that the offloading emissions from the docked LNG carriers should be considered part of the stationary source to which they are connected. Therefore, these emissions must be modeled as part of the source with receptors placed starting at the ambient air boundary and outward. Regarding activities at the docked LNG carrier that are not directly associated with the stationary source, (e.g., the hoteling emissions), these emissions are secondary emissions that should be included in ambient air assessments starting at the ambient air (safety zone) boundary and outward. It is not necessary for Broadwater to model impacts inside the safety zone because that area is excluded from ambient air as discussed above.

If you have questions regarding this letter you may contact Annamaria Coulter of my staff at (212) 637-4016.

Sincerely,



Steven C. Riva, Chief
Permitting Section, EPA Region 2