

## **Barron, Robert B SAJ**

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**From:** Daniel Pagan [daniel\_paganrosa@yahoo.com]  
**Sent:** Thursday, July 14, 2011 5:55 AM  
**To:** LarryEvans@bcpeabody.com; Collazo, Osvaldo SAJ; Barron, Robert B SAJ  
**Subject:** FERC Conditional Approval (Site Preparation) covering Eco Electrica Plant Modification  
**Attachments:** 7-12-2011 Initial site prep authorization[1].pdf

Dear Osvaldo:

Attached please find a self explanatory letter related with the above mentioned subject for your information and be included as part of the Via Verde Record.

Danny Pagan

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

OFFICE OF ENERGY PROJECTS

In Reply Refer To:  
OEP/DG2E/LNGC  
EcoEléctrica, L.P.  
Docket No. CP95-35-001  
§375.308(x)

July 12, 2011

Lisa Tonery  
Fulbright & Jaworski, L.L.P.  
666 Fifth Avenue, 31<sup>st</sup> Floor  
New York, NY 10103-3198

**Re: Approval to Commence Initial Site Preparation**

Dear Ms. Tonery:

I grant your request to commence initial site preparation for the EcoEléctrica Terminal Modification Project (Project) as authorized by the Commission's Order Amending Authorization issued on April 16, 2009 (Order). This approval is based on the material provided in your April 29 and June 28, 2011 filings, and as noted in our May 20, 2011 letter, our determination that EcoEléctrica has satisfied all conditions of the Order related to initial site preparation activities.

Our May 20, 2011 letter to you identified the information necessary for us to continue our review of your flammable vapor dispersion analysis required under 49 CFR 193. We have determined that your June 28, 2011 filing adequately addresses our preliminary concerns in Enclosure 1, recognizing additional review will be forthcoming. The May 20, 2011 letter also identified issues that remain under consideration by the U.S. Department of Transportation's (DOT) Pipeline and Hazardous Materials Safety Administration (PHMSA). Although these issues are not yet resolved, we do not believe the commencement of site preparation for the Project prejudices that ongoing review. The Project consists of relatively minor facilities within the existing developed terminal site, which would result in lesser quantities of LNG to be considered in the dispersion analysis. In addition, the terminal site is relatively isolated from population, being surrounded by water on three sides and industrial development on the north.

Lastly, we acknowledge EcoEléctrica's role in addressing the unique air quality circumstances that exist in Puerto Rico. As stated in his June 9, 2011 letter to Chairman Jon Wellinohoff, Governor Luis G. Fortuño issued an Executive Order declaring a state of emergency regarding Puerto Rico's electric energy

infrastructure. The Executive Order mandates that Puerto Rico sharply reduce its use of oil for electric power generation and develop new energy infrastructure projects to support the use of natural gas and other alternatives. Construction of the Terminal Modification Project will provide a significant step toward energy diversification, economic recovery and a cleaner environment for Puerto Rico.

We reiterate that this approval is limited to initial site preparation activities. Construction of the facilities identified in paragraph 4 of the Order will require our review and approval of Environmental Conditions 11 through 19. Further, we will not authorize the introduction of any LNG into the Terminal Modification Project facilities until PHMSA and we are satisfied that the EcoEléctrica has complied with DOT's exclusion zone regulations.

I remind you that EcoEléctrica must comply with all remaining terms and conditions of the Order. If you have any questions, please contact Phil Suter at (202) 502-6368.

Sincerely,

Chris Zerby, Chief  
LNG Compliance Branch

cc: Public File, Docket No. CP95-35-001