Protecting the heritage, resources and economy of the Allegheny-Blue Ridge region

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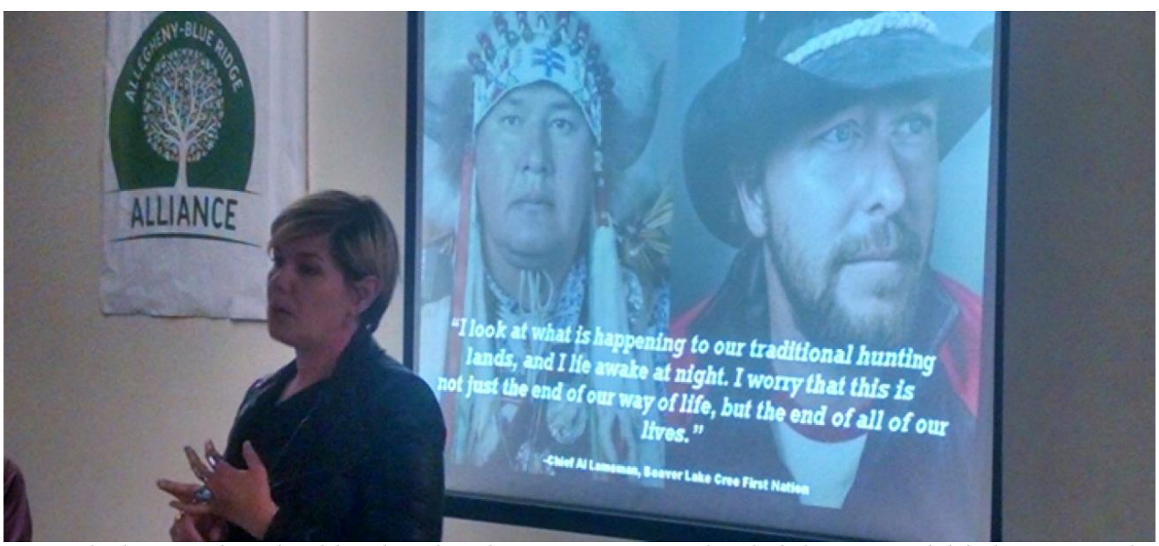
ALLEGHENY-BLUE RIDGE ALLIANCE

ABRA Update #77 – April 28, 2016

Over 100 Attend Pipeline Summit

The April 23 Pipeline Summit attracted a full house! The Weyers Cave Community Center was filled for a full day of presentations and discussion groups on economics associated with the proposed Atlantic Coast (ACP) and Mountain Valley (MVP) pipelines, grass roots experiences, new tools to assess pipeline impacts, the need for a programmatic environmental impact statement for the ACP and MVP, and the importance of improving effectiveness in dialogue with public officials. The event was jointly sponsored by ABRA and the POWHR coalition. More information about the Summit will be in forthcoming issues of Update.

The more than 100 attendees at the Pipeline Summit listen to Rick Web of the Dominion Pipeline Monitoring Coalition describe the GIS mapping techniques being used to assess pipeline route impacts.



Jane Kleeb, Founder of Bold Nebraska, the citizens group that led the successful fight against the Keystone XL Pipeline, was a well-received featured speaker.

For questions about Update items, contact:
Articles – *Lew Freeman, lewfreeman@gmail.com*
In the News – *Dan Shaffer, dshaffer@abralliance.org*

Study Questions Need for New Pipelines and Cites High Costs for Ratepayers

A new study concludes that the proposed Atlantic Coast and Mountain Valley pipelines are indicative of a rush toward industry overbuilding and pose risks to ratepayers, communities and investors. "Risks Associated With Natural Gas Pipeline Expansion in Appalachia" was released April 27 by the Institute for Energy Economics and Financial Analysis (IEEFA), a Cleveland, OH-based organization that conducts research and analyses on financial and economic issues related to energy and the environment. This 30-page study is *must* reading for all who are concerned about the ACP and MVP projects.

Co-author Cathy Kunkle notes:

> "There's a widespread assumption that such pipelines would only be proposed if they were necessary. This assumption is not supported by the facts. We found that the dynamics of the pipeline business tend toward overbuilding—toward building excess pipeline capacity."

Regarding the ACP, she says:

> "The cost of building the pipeline, including the profit for the developers, will be passed through to the shippers of the pipeline who will be able to recover it from their ratepayers through rates established by state public service commissions.
>
> "Put another way, the regulatory structure gives Duke and Dominion an incentive to prioritize building their own pipeline rather than using that of another company. If the demand for the capacity along the Atlantic Coast pipeline does not materialize, ratepayers will still be on the hook to pay for that capacity."

Addressing the issue of safety of new pipelines, IEEFA says that "affected landowners may be at risk of greater safety problems. As reported in SNL Financial, 'the push to build new pipelines to transport abundant shale supplies appears to be having a materially adverse impact on pipeline safety.' Data from the Pipeline Safety Trust shows that pipelines built in the 2010s are failing at a rate similar to the failure rate for pipelines constructed pre-1940. Though it is not clear the specific reasons for the high failure rate of the new pipelines, this data has led to speculation that the boom in construction of natural gas pipelines has led contractors to cut corners."

Among other conclusions in the study:

- The Federal Energy Regulatory Commission facilitates overbuilding. The high rates of return on equity that FERC grants to pipeline companies (allowable rates of up to 14%), along with the lack of a comprehensive planning process for natural gas infrastructure, attracts more capital into pipeline development than is necessary.
- Industry leaders recognize and acknowledge that current expansion plans will likely result in overbuilding. Numerous sources from industry and elsewhere are cited to substantiate this.
- While the ACP sponsors have asserted that some of the gas supplied is needed by Dominion Resources for its new Brunswick and Greensville natural gas plants, Dominion has told the Virginia State Corporation Commission that it can supply those plants through the existing Transco pipeline.
- Communities along the MVP route face the risk that EQT Corporation (which owns the largest stake in that pipeline and has contracted for the largest volume of capacity on the

pipeline) will continue to be harmed financially by weak natural gas prices and will not be a long-term, stable partner for these communities.

The IEEFA study recommends that:

- That the applications for the Atlantic Coast and Mountain Valley pipelines be suspended until a regional planning process can be developed for pipeline infrastructure;
- That FERC lower the returns on equity granted to pipeline developers; and
- That an investigation be conducted into the relatively high failure rate of new pipelines.

Senate-Passed Energy Bill Includes Troublesome Provisions

The U.S Senate passed an omnibus energy bill, S. 2012, on April 20 that would streamline approvals of liquefied natural gas plants by the Federal Energy Regulatory Commission and enforce deadlines for other government agencies to submit their input on proposed infrastructure projects. On the 85-12 vote the both Senators from Virginia and West Virginia voted affirmatively.

A similar bill passed the House in December, thus requiring a conference committee to iron out differences. It is unclear whether President Obama will sign the resulting measure, as he had previously indicated he would veto the House version.

CCAN To Organize Rally At Dominion Shareholder Meeting

Chesapeake Climate Action Network is organizing pipeline opponents and concerned shareholders to attend Dominion's annual shareholder meeting in Columbia, SC on May 11. Climate-concerned shareholders will be introducing resolutions aimed at forcing Dominion to clean up its act, and dozens more activists will be rallying out front. Here is a link for more information.

In the News:

Local/Atlantic Coast Pipeline

Pipeline summit draws large crowd

- The News leader – 4/23/16

http://www.newsleader.com/story/news/local/2016/04/23/pipeline-summit-draws-large-crowd/83438534/
Related:
http://www.dailyprogress.com/newsvirginian/news/pipeline-opponents-outline-issues-in-augusta-summit/article_9dc4f6b2-09df-11e6-b5e2-43f334afe42b.html

Pipeline opponents join forces for fight

- The Recorder – 4/28/16

http://www.abralliance.org/wp-content/uploads/2016/04/Pipeline_opponents_join_forces_for_fight-Recorder_4-28-16.pdf

'Natural Gas Cash'

- Roanoke-Chowan News Herald – 4/25/16

http://www.roanoke-chowannewsherald.com/2016/04/25/natural-gas-cash/
Back-scratching? You be the judge

Despite delay, Dominion vows to complete Atlantic Coast Pipeline on time

- Utility Dive – 4/27/16

http://www.utilitydive.com/news/despite-delay-dominion-vows-to-complete-atlantic-coast-pipeline-on-time/418168/
Dominion maintains that everything is going according to plan

Regional/Mountain Valley Pipeline, other

'Keystone killer' rallies opponents to Mountain Valley Pipeline

- Richmond Times-Dispatch – 4/23/16

http://www.richmond.com/news/virginia/article_acebe0d6-d9a2-5aee-b771-2b2106d9f1b1.html
'Form unlikely alliances and stick together' - message from Jane Kleeb – aka the Keystone Killer
Related:
http://grist.org/climate-energy/keystone-ization-is-the-fossil-fuel-industrys-new-nightmare/

Big Picture:

New York Denies Critical Permit for Natural Gas Pipeline

- ABC News – 4/22/16

http://abcnews.go.com/US/wireStory/york-denies-critical-permit-natural-gas-pipeline-38607904
NY's refusal to issue Clean Water Act permits have killed Constitution pipeline…for now
Related:
http://www.capitalnewyork.com/article/albany/2016/04/8597596/cuomos-pipeline-decision-may-have-ripple-effects-energy-policy

Court battle looms over N.Y.'s denial of Constitution pipeline

- E&E Publishing – 4/27/16

http://www.eenews.net/stories/1060036319
Constitution down but not yet out

A Pipeline Defeated: How a Small Town Saved Itself

- Truthout.org – 4/27/16

http://www.truth-out.org/opinion/item/35756-a-pipeline-defeated-how-a-small-town-saved-itself
Lot of familiar-sounding stuff in here

Delaware River Commission will do independent review of PennEast pipeline

- The Morning Call – 4/27/16

http://www.mcall.com/news/local/easton/mc-penn-east-drbc-042716-20160426-story.html
DRBC apparently feels that FERC's process is neither inclusive nor thorough enough

NEXUS pipeline would cost Green millions, study says

- IndeOnline.com – 4/26/16

http://www.indeonline.com/article/20160426/NEWS/160429445
Additional economic study casts doubt on INGAA Study or property values

FERC to consider waivers for electric utilities purchasing gas pipeline capacity

- Utility Dive – 4/27/16

http://www.utilitydive.com/news/ferc-to-consider-waivers-for-electric-utilities-purchasing-gas-pipeline-cap/418188/
Could completely change the pricing structure for the gas/electric market

Sold: 77 percent of prospective pipeline capacity

- The Daily Sentinel – 4/20/16

http://www.gjsentinel.com/news/articles/sold-77-percent-8232of-prospective-8232pipeline-ca
Jordan Cove LNG turns out to be more of the "undead" sort of project