

# HIGHLANDERS FOR **RESPONSIBLE DEVELOPMENT**

## *Newsletter*

**September 12, 2015, No. 9**

### **HRD Annual Public Meeting on Sunday, September 27, 2 pm**

The Annual Public Meeting of Highlanders for Responsible Development will be held on Sunday, September 27, 2 pm, at The Pavilion of The Highland Center. All persons interested in the work of HRD are invited to attend. The meeting will feature a presentation on HRD activities over the past year and an opportunity for the public to ask questions and provide recommendations of activities that HRD should consider pursuing in the future. The 45 minute meeting will be followed by a dessert social. Those persons planning on attending are urged to bring a dessert and to RSVP to [hrd@protecthighland.com](mailto:hrd@protecthighland.com).

### **A New Logo!**

You will notice that this newsletter is sporting a new letterhead and logo. Thanks to Thea Klein-Mayer for creating this attractive graphic. It will be incorporated in all future HRD materials.

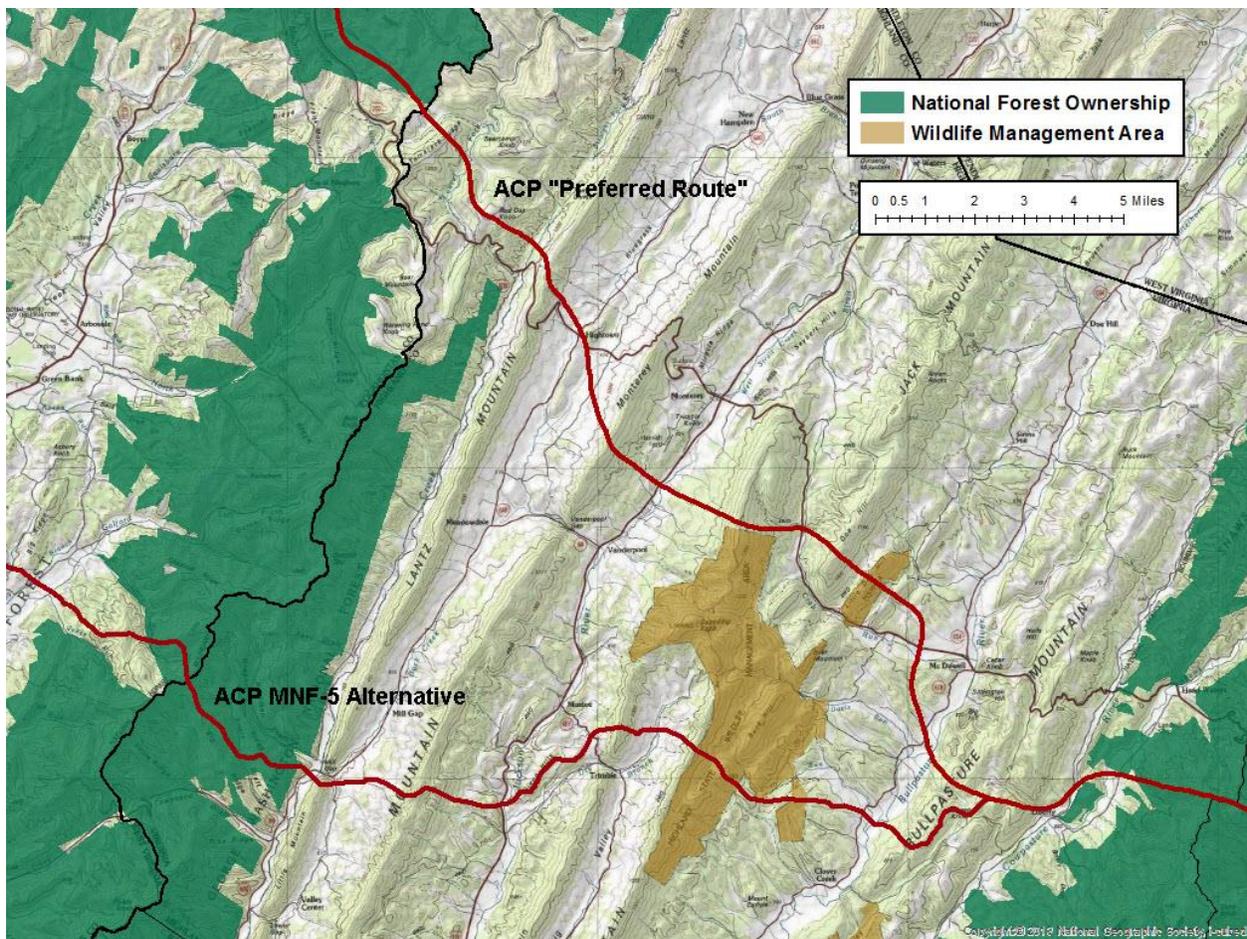
### **The Atlantic Coast Pipeline – One Year and Counting**

Fifty-three weeks ago Tom Farrell, CEO of Dominion Resources, and Virginia Governor Terry McAuliffe presided over a press conference in Richmond, VA to announce the launching of the Atlantic Coast Pipeline (ACP) joint venture. The proposed 550 mile/\$5 billion/42” pipeline would deliver natural gas from the Marcellus shale fields in central West Virginia to markets in North Carolina and southeast Virginia. The project had originally been announced in May 2014 by Dominion as the Southeast Reliability Project. Dominion executives and staff briefed the Highland County Board of Supervisors and county boards in other affected counties in August 2014 on the venture.

The September 2, 2014 McAuliffe/Farrell press conference and materials released in conjunction with it called the ACP “transformational” to the economies of the affected states and communities, claiming it would create thousands of jobs, bring significant revenue to local governments in the path of the pipeline and be the most environmentally responsible project of its kind. It was explained that construction of the ACP depended upon approval of the Federal Energy Regulatory Commission (FERC), an independent

Federal agency that has regulatory authority over the interstate transmission of electricity, natural gas and oil, as well as deciding on proposals to build liquefied natural gas terminals, natural gas pipelines and the licensing of hydropower projects. Farrell said that Dominion would build and operate the pipeline on behalf of its new partners: Duke Energy, Piedmont and AGL Resources (which has since merged with The Southern Company). He explained that a pre-filing request with FERC would be made in the Fall of 2014 (it was) and that a formal application would be filed with FERC in the Summer of 2015 (it hasn't yet happened), with formal approval by the agency expected in the Summer of 2016. Construction would begin soon thereafter, and the pipeline would be operational by late 2017/early 2018.

In the year since Dominion's ACP announcement, two open houses have been held in Highland County, one at Dominion's instigation (September), the other as part of the FERC process (January). In March "scoping" meetings were held by FERC in ten communities along the proposed ACP route to receive public testimony. There was not a scoping meeting in Highland County, but HRD representatives attended three of the sessions and HRD filed comments with FERC, as did the Highland Board of Supervisors and the Town of Monterey. Those comments are available at <http://protecthighland.org/>.



**Two principal routes have been proposed through Highland County. The “Preferred Route” would enter the county north of U.S. 250. The “Alternative Route” would enter the county in the vicinity of the Mill Gap area.**

Last September a broad coalition of organizations concerned about the ACP was formed, the Allegheny-Blue Ridge Alliance (ABRA, [www.abralliance.com](http://www.abralliance.com)), which now numbers 43 organizations in Virginia and West Virginia. HRD was a founding member and Lew Freeman, HRD President, serves as its Chair. One of the organizations within ABRA, the Dominion Pipeline Monitoring Coalition (<http://pipelineupdate.org/>), which addresses environmental and regulatory issues associated with the ACP, was formed by HRD Board member Rick Webb.

The issues and questions that have risen about the ACP are many and complex. The following are among the most significant:

- **A pipeline built along the announced routes under consideration would seriously threaten the integrity and safety of the water supplies for many county residents, particularly those in the towns of Monterey and McDowell.** In both towns residents are supplied by water systems drawing from aquifers that would be adversely affected by construction of the pipeline. The comments filed with FERC by HRD, the Highland Supervisors and the Town of Monterey all expressed concern about this issue, noting that hydrological and geological experts had verified the threat. FERC has also raised these same questions with Dominion. So far, the company has been steadfast in its refusal to acknowledge there would be a threat to county water supplies by the ACP.
- **Building the ACP through the rugged and steep mountain terrain that predominates in Highland County would endanger the structural character of the mountains it crosses and seriously increase the possibility of long-term erosion.** Dominion has indicated it wishes a waiver to a Virginia regulation limiting an open trench to be no more than 500 linear feet at a time. This standard exists for erosion and sediment control, a critical concern when there is terrain as steep as that in Highland County, as well as in several neighboring counties. The problems that could be created by erosion resulting from the pipelines routes as proposed is complicated by the prevalence of karst topography in Highland County, which is characterized by underground drainage systems with caves and sinkholes. These conditions facilitate the transmission of sediment into streams and underground aquifers that would adversely affect the quality of water, one of Highland Counties most prominent assets.

Dominion wishes to have the right to open a trench as long as 2000 feet. If such a waiver is granted the potential for serious erosion would be profound. HRD has asked FERC to insist that the current 500 foot limitation be adhered to. We have also asked the Virginia Department of Environmental Quality to require that the ACP file erosion and sediment control plans and make them available to local officials and the public for review.

- **The ACP is being justified on the grounds that it is needed to meet foreseeable growth in natural gas markets it would serve. It may be, but the case has yet to be convincingly made by proponents.** When Dominion's CEO Tom Farrell and Governor McAuliffe announced last September the formation of the ACP partnership both gentlemen said that had the pipeline been in place the previous winter, Virginia could have avoided the high natural gas prices customers had experienced. It was also explained that the conversion of coal-fired electric utilities in Virginia and North Carolina to natural gas – mandated by the U.S. Environmental Protection Agency – will require the construction of the pipeline to bring the plentiful gas being produced from the Marcellus shale reserves in West Virginia to growing markets. But, how much new gas will truly be needed? What is the adequacy of existing pipeline capacities to meet this increased demand? How much additional capacity will be required to supply that gas? How long will the supply of natural gas from the Marcellus fields be available? Since there are three other natural gas pipeline projects for delivering Marcellus shale gas to southeastern markets, will all of these pipelines be required to meet expected demand? These are supply/demand questions that have not yet been satisfactorily answered.

Studies released in the past year by the U.S. Department of Energy and a natural gas industry trade association suggest that existing infrastructure for delivering natural gas may be adequate for meeting future natural gas needs in the Mid-Atlantic and Southeast markets. A new study sponsored by two members of the ABRA coalition is also addressing these market issues. The results of that study are expected by October and will be shared with FERC and the public.

- **The ACP sponsors claim that significant economic benefits will be provided to affected communities by the project, creating jobs and bringing needed tax revenues.** The benefit claims made by the ACP are based upon two economic studies that Dominion commissioned. The first, released last September, said several thousand jobs would be created in Virginia during the construction period of the project (2014-19) and that over 100 permanent jobs in the state would be created. No specific figures were provided for Highland County. A second economic report issued by Dominion last February bolstered the job benefit claims, asserting that 1,300 permanent jobs would be created in Virginia as the result of energy savings resulting from the pipeline delivering more inexpensive gas than currently was available to the state.

These studies have been disputed by a report released in July by ABRA and the Southern Environmental Law Center. The report points out that the Dominion studies were based on unsubstantiated or erroneous assumptions. For instance, the claims of construction jobs being created for people in the affected communities is false since it is an industry practice for contracting companies to use their own employees from elsewhere in the country to do all of the necessary work, including excavation and logging. This has been substantiated by conversations with Dominion employees at the open houses that were held. The report is available at (<https://www.southernenvironment.org/news-and-press/press-releases/new-study-questions-economic-benefit-claims-of-atlantic-coast-pipeline>).

Another economic report, co-sponsored by HRD and expected to be released in late October or early November, will examine the impact the ACP would have on Highland, Augusta, Nelson and Buckingham Counties, taking into consideration the overall financial impacts that would result from effects of the ACP, including those on business and tourism and the dampening of real estate demand in areas proximate to the proposed pipeline (a circumstance that is already occurring in Highland and other affected counties).

- **The property rights of citizens are being seriously compromised by the powers that existing laws grant to the ACP.** This is one of the most controversial issues about the ACP. Over 95% of the proposed routes that are being considered for the pipeline go through private property. Existing utility and other public use corridors have been ignored. A Virginia state law, written over ten years ago, grants natural gas pipeline companies the right to survey a property owner's land without their permission. If the project is approved by FERC, Federal law permits the ACP to exercise eminent domain powers to proceed with the project. The surveying law is now subject to a constitutional challenge in the courts. Efforts earlier this year in the Virginia General Assembly to repeal the statute failed. The eminent domain power granted to utility companies would require action by Congress to be changed.

### **What happens next?**

The ACP is expected to file this month with FERC a formal application for a permit to build the pipeline. The application will set forth a specific proposed route. That will trigger a review process by the agency that will include the preparation of an Environmental Impact Statement, consideration the route being proposed and an evaluation of market questions about supply and demand. That process normally takes about a year, sometimes longer. There will be further opportunities for public input into the evaluation process. HRD intends to be an active participant.

In the meantime, serious and consequential questions have been raised by relevant federal agencies and key public officials about the impacts of the ACP routes under consideration, as well as the manner in which the ACP has dealt with the public and various government agencies. A July 30 letter to FERC from the U.S. Forest Service raised 335 separate questions and concerns about the ACP's proposed routes through the Monongahela and George Washington National Forests. FERC staff has recently questioned the ACP about the incompleteness in many of the plans and other information it is required to file with the agency. Most recently, the Bureau of Land Management has told the ACP that its application for permission to cross National Park land is so inadequate the agency will not consider it. Finally, one of the strongest statements questioning the manner in which the ACP has been proceeding was an August 24 letter from Virginia Senator Tim Kaine to the FERC Commissioners in which he raised several issues and concerns about the project. The Senator's letter is available at [http://abralliance.org/beta/wordpress/wp-content/uploads/2015/08/Kaine\\_letter\\_to\\_FERC\\_on\\_ACP\\_8-24-15.pdf](http://abralliance.org/beta/wordpress/wp-content/uploads/2015/08/Kaine_letter_to_FERC_on_ACP_8-24-15.pdf).

If a pipeline is built through Highland County it is essential that it not diminish the unique natural resources and other assets of Highland County. HRD will continue to advocate for the interests of Highland County citizens on the ACP issue. We appreciate your interest in our efforts and welcome your input.