

Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Room 1A  
Washington, DC 20426

Re: Docket No. PF14-22-000 Northeast Energy Direct Project, Tennessee Gas Pipeline Company, L.L.C.

Dear Ms. Bose:

I am writing on behalf of the New Hampshire Sierra Club (NHSC) regarding the above referenced project, Northeast Energy Direct (NED) of Tennessee Gas Pipeline Company, a Kinder Morgan company.

Started in 1892 and with over two million members and supporters, the Sierra Club is the nation's oldest and largest grassroots environmental organization. Its statement of purpose starts: "To explore, enjoy, and protect the wild places of the Earth."

NHSC has over 10,000 members and supporters in New Hampshire. We have a number of questions related to the project's economic and environmental impact on our communities, local economy, public health and environment.

**How does the NED pipeline contribute to the goal of energy diversity for New England?**

New England is already generating over half of its electricity with natural gas<sup>1</sup>.

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<sup>1</sup> From the February 2013, ISO-NE report, "New England Regional Profile 2012-2013," found at [http://www.iso-ne.com/aboutiso/fin/annl\\_reports/2000/2014\\_reo.pdf](http://www.iso-ne.com/aboutiso/fin/annl_reports/2000/2014_reo.pdf)

## Electric generating capacity and energy production by fuel type:

<i>New England Generators by Fuel Type</i>	<i>% of Total Capacity 2012</i>	<i>% of Electric Energy 2012</i>
Natural gas	43%	52%
Oil	22%	<1%
Nuclear	14%	31%
Coal	8%	3%
Hydro	5%	6%
Pumped storage	5%	1%
Other renewables	3%	7%

Over the years, the argument for fuel diversity has been used to keep “the worst of the worst” coal burning facilities operational in New Hampshire. Now it seems the experts want to ignore fuel diversity as a goal and crown natural gas as the dominant fuel in the region.

- “The energy problems confronting New England...largely stem from a growing regional dependency on natural gas that has displaced many other fuels”, said Gordon van Welie, president and CEO of ISO-New England” during the July 2 Energy Meeting of public officials St Anselm College.
- “The initiative’s goal is to diversify the region’s fuel supply, stabilize the energy economy and above all, benefit ratepayers,” said Robert Scott, commissioner of the NHPUC at the same meeting. “The overriding criteria will be cost-effectiveness.”

In examining the distribution of fuel types shown in the chart, it is obvious that increasing fuel diversity efforts should focus on energy efficiency measures, hydro, pumped (or other) storage, and other renewables. A major increase of pipeline infrastructure will only encourage increased reliance on natural gas and reduced fuel diversity. Also, a high level of dependency will likely lead to ongoing price volatility, as well as a flattening of job growth within the clean energy sector.

**How does the NED pipeline support the federal, regional and state policy?**

In 2007 US Supreme Court decision confirmed that the Environmental Protection Agency (EPA) does have the jurisdiction to set safety standards for carbon emissions from power plants as part of the Clean Air Act. Then in 2014, the EPA introduced the Clean Power Plan (CPP), a commonsense standard that encourages the states to create and implement an innovative and flexible plan to lower carbon with a variety of tools. Currently, New Hampshire also participates in state and regional efforts to reduce climate pollution, like the Regional Greenhouse Gas Initiative (RGGI). The State released a 10 Year Energy Strategy in 2014 to create a vision of the energy future best suited to the state's resources, economy, communities, businesses, and character<sup>2</sup>. RGGI, renewable energy goals, energy efficiency programs and procurement priorities are all designed to help promote cleaner energy and thus cleaner air, as well as, new job creation and investment.

Specifically, the CPP's Building Blocks Three and Four are particularly suited for New Hampshire's state and regional goals. From the EPA website, these two sections are:

**Building Block Three** aims to encourage use of zero emitting sources by expanding the use of renewable sources, like wind and solar; and low emitting sources like nuclear power.

**Building Block Four** aims to “use electricity more efficiently” by “reducing demand on power plants is a proven, low-cost way to reduce emissions, which will save consumers and businesses money and mean less carbon pollution.”

New England does not face the same challenges at other regions.<sup>3</sup> For example, the Mid-West region of the United States generates only 7% of its electricity from natural gas fired plants while over 60% of its electricity is generated by coal-fired power plants.

In comparison, the entire Northeast (which includes more than the New England states) consumes only half the electricity of the Midwest region. Plus, ISO-NE forecasted demand at less than 2% by for the next ten years.

According to state and regional policy, the priority for New Hampshire is to shore up efficiency and conservation measures within its building inventory. The New

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<sup>2</sup> The entire state strategy can be found here: <http://www.nh.gov/oep/energy/programs/documents/energy-strategy.pdf>

<sup>3</sup> According to data from the US Energy Information Administration (EIA), March 10, 2015 report #on “Short-Term Energy Outlook, Table 7d: U.S. Regional Electricity Generation, All Sectors (Thousand Megawatt hours per Day),”

Hampshire Office of Energy and Planning commissioned a study that estimated the potential for energy savings in the residential sector to be about 4,800 BBtu and in the commercial sector<sup>4</sup> to be over 4,000 BBtu. We are not a large state and savings of this magnitude are significant.

FERC should and must consider federal, regional, or state policy, such as the Clean Power Plan, Regional Greenhouse Gas Initiative, or the NH 10 Year Energy Strategy, as part of the thoughtful planning and calculation for future projects in New England. While it may be true that New England's natural gas fired generating plants are occasionally constrained by price and supply, operating all of New England's natural gas fired plants at 70% of capacity may not be even necessary since the states, individually and regionally, have planned renewable energy goals for air pollution standards, renewable energy and demand-side reductions. More natural gas capacity is not appropriate for New England.

Further, FERC should and must consider the costs for projects that are not part of the policy developed in a state or region. Given the state, regional, and federal priorities, the pipeline proposal in this docket would increase regional financial investment on the fossil fuel infrastructure which would potentially divert time and money away from renewable energy projects that are prioritized by the federal, regional, and state policy.

### **The NED pipeline proposal increases demand for fracked gas.**

NHSC has concerns that the construction of the NED pipeline will not only create increased regional demand for natural gas, but will also lead to international export at unprecedented rates, based on the projected capacity of the NED pipeline of 2.2 bcf/day, and application to the Department of Energy (DOE filing number, FE Docket No. 14-179-LNG) for LNG export licenses of .8 bcf/day by Pieridae Energy of Canada.

In a May 8, 2014 letter to the White House signed by 22 US Senators, including New Hampshire's Senior Senator Jeanne Shaheen, states,

“Recently, the Department of Energy approved exports of liquefied natural gas from a sixth export facility. This means that total approved exports, combined with existing and approved export pipelines, now exceeds the total amount of gas that is currently used in every single American home and commercial

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<sup>4</sup>[Presentation of the Revised Energy Vision and Resource Potential Study to the: State Energy Advisory Council](http://www.nh.gov/oep/energy/programs/documents/sb191-2014-3-7-revised-energy-vision-and-resource-potential-study.pdf), March 7, 2014; <http://www.nh.gov/oep/energy/programs/documents/sb191-2014-3-7-revised-energy-vision-and-resource-potential-study.pdf>

business. This level of exports well exceeds the “high export scenario” referenced by a Department of Energy study in 2012 that indicated prices could increase by up to 54 percent. Price increases of this scale could translate into more than \$60 billion a year in higher energy costs for American consumers and businesses.”

Increased costs to consumers are not the only impacts; our communities, health, and our environment are at risk, too. A fact sheet from the Sierra Club states, “Fracking for natural gas damages landscapes, pollutes water and air sources, and can have serious health consequences for local communities<sup>5</sup>.” Additionally, “the many problems associated with inadequate safeguards in natural gas development are the harmful air emissions that pollute communities surrounding drilling operations, compressor stations and pipelines, and a lack of environmental assessments, monitoring and regulatory enforcement to gauge damages to landscapes and wildlife”.

The Sierra Club opposes hydraulic fracturing for methane gas<sup>6</sup>. By extension, building pipelines designed to dramatically increase consumption of fracked gas is also opposed by the Sierra Club<sup>7</sup>.

### **The NED pipeline proposal will put our communities at risk.**

The Monadnock Conservancy noted that the current proposal would cross 40 conservation areas in the Granite State, 155 wetlands, and 116 bodies of water, including 18 rivers and about 8 miles of state forest or parks, according to filings with FERC<sup>8</sup>. The Granite State is our home and our most precious sanctuary. This is

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<sup>5</sup> See fact sheet here, <https://content.sierraclub.org/sites/content.sierraclub.org.naturalgas/files/documents/natural-gas-campaign-factsheet.pdf>.

<sup>6</sup> See entire policy here, <http://www.sierraclub.org/policy/energy/fracking>

<sup>7</sup> A Sierra Club and NRDC joint statement in a November 2014 press release, “The most effective way to solve the climate crisis is to keep all dirty fossil fuels, like fracked gas, in the ground, because even the most rigorous methane controls will fail to do what is needed to fight climate disruption,” said Deb Nardone, director of the Sierra Club's Beyond Natural Gas campaign. “Fracking threatens to transform our most beautiful wild places, our communities, and our backyards into dirty fuel industrial sites.” Full press release here, <http://www.nrdc.org/media/2014/141120.asp>

<sup>8</sup> Monadnock Conservancy E-News March 15<sup>th</sup> 2015 edition, <http://archive.constantcontact.com/fs182/1102444951262/archive/1120146079115.html>

where we trust that we are safe, our families are protected and our future is on a trajectory towards the better. Our homes and communities should be protected.

Focusing on the impact our New Hampshire communities, the miles of pipe and compressor stations will cause significant harm to our neighborhoods and landscapes. Mina Hamilton, a past Research Associate at Radioactive Waste Management Associates and former leader in the Sierra Club, states has reported

“Compressor Stations (the large structures which pressurize and pump the gas along the pipelines) are significant contributors to global warming. During a venting, known as a “blow-down”, large quantities of methane are released to the atmosphere. In the first two decades after methane is released it is 79 to 105 times more powerful than CO2 at destabilizing the climate.”<sup>9</sup>

While leaks and spills are always a risk with pipelines, the transporting of fracked gas through pipelines increase climate change causing emissions rather than reduce them.

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<sup>9</sup> “More Than a Pipeline: It’s a Toxic Industrial Infrastructure”

**CONCLUSION: The NED pipeline proposal would make New Hampshire and New England more vulnerable to price spikes and other unintended consequences of an unbalanced system by making the region more dependent on a single fuel type. The NED pipeline proposal will not comply with state or federal policy to reduce climate change causing pollution or protect our public health. The NED pipeline proposal puts our communities at undue health and safety risks. The NED pipeline proposal will increase fracking gas in other regions of the United States putting our neighbors far and near at risk. The NED pipeline proposal ignores the fastest, cheapest and most effective way to address our state's energy demands: energy efficiency, weatherization and conservation. Therefore, NHSC does not support the pipeline proposal.**

The mission of the Sierra Club is to explore, enjoy and protect the earth. The proposed pipeline creates unacceptable risks to the affected communities and the overall environment. The risks include climate change causing emissions, air pollution, water waste related to fracking, and the destruction of our communities, schools, homes and businesses. Thus, NHSC opposes the NED pipeline proposal.

As an alternative to investments for the fossil fuel power and infrastructure, NHSC supports renewable energy, conservation, weatherization, and energy efficiency measures. The buildings in New Hampshire and the Northeast are ripe for applying innovative and newer technologies that are low to zero emitting, renewable, and sustainable. NHSC supports smart solutions that will shift away from fossil fuel build out and incentivize these safer energy saving technologies to help lower people's bills, not raise them.

We urge the FERC to support that shift too by approving projects that are in line with the local, state, and federal energy policies because these policies expand upon the idea to build strong communities that invest in the local energy sources, infrastructure, the local economy and protect public health. Please support projects that advance truly clean energy like wind, solar, and energy efficiency.