

TENNESSEE GAS PIPELINE NORTHEAST EXPANSION – FREQUENTLY ASKED QUESTIONS

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Are these pipelines safe?

Would the pipeline bring jobs to our state?

Is natural gas an important “bridge fuel”?

Do we need this pipeline to prevent an energy shortage?

What is this pipeline?

— The TGP Northeast Energy Direct is a high-pressure natural gas pipeline proposed by Tennessee Gas Pipeline Company, L.L.C. (“TGP”, a subsidiary of Kinder Morgan Energy Partners, L.P.) to run from Pennsylvania through New York state into Massachusetts at Richmond, in the Berkshires, through to Dracut, north of Boston, where it could join with existing pipelines that connect to the Massachusetts and Canadian coasts. The pipeline is intended to carry natural gas from the Utica and Marcellus Shale. (*Source 1:*

http://www.kindermorgan.com/business/gas_pipelines/east/neenergydirect/)(*Source*

2: <http://www.pngts.com/images/map.pdf>)(*Source*

3: http://www.nescoe.com/uploads/KM_TGP_Letter_to_NESCOE_05_23_14.pdf)

— In addition to the main transmission line, the Northeast Energy Direct Project is proposed to include six components in Massachusetts, identified by the company as follows: the North Adams Lateral, the Energy North Lateral (extending into New Hampshire), the Worcester Lateral, the Fitchburg Lateral, the Haverhill Loop, and the Lynnfield Lateral (also called "Dracut to 270C-100"), an extension from Dracut to TGP's Beverly-Salem line. There would also be at least one compressor station in Dracut, and likely one or more others along the main line. (*Source:* http://www.ashburnham-ma.gov/Pages/AshburnhamMA_News/04759582-000F8513_p.18) (*Source 2: personal communications*)

— This project is still in the exploratory stage. The company's timeline calls for a pre-filing with the Federal Energy Regulatory Commission (FERC) in September 2014, with the pipeline to be operational by November 2018. (*Source:* [TGP Northeast Expansion Open Season Notice](#))

— The proposed pipeline path runs through hundreds of private properties and public land, including land and waterways that are protected from development under state law. *County-level maps obtained from TGP are available on this website. (Protected lands include the Warwick State Forest, the Westfield Wild & Scenic River, and numerous privately held properties with conservation restrictions, Chapter 61 and Chapter 61A lands, etc. Much of the pipeline is proposed to run largely, but not exclusively, along electric transmission lines in Franklin and Berkshire County.)*

— TGP is also planning a “Connecticut Expansion” that goes through several towns in Berkshire and Hampden Counties where two other pipelines already exist. (*Source:* http://www.kindermorgan.com/investor/presentations/013013_NaturalGas.pdf)

Who would pay for this new pipeline?

— We as ratepayers would be required to pay for new natural gas pipelines through a proposed new charge on our electric bills. The Patrick administration has not distanced itself from a recommendation by one of its appointees to add this new tariff. (Source: http://www.nescoe.com/uploads/ISO_assistance_Trans_Gas_1_21_14_final.pdf)

— State or local taxpayer money would pay for emergency response in the event of explosions, fires, or evacuations. (Source: <http://www.fireengineering.com/articles/2012/05/firefighter-response-to-natural-gas-leaks-and-emergencies.html>)

Who is Kinder Morgan/TGP?

— Kinder Morgan is the largest natural gas transporter in America... (Source: http://www.kindermorgan.com/business/gas_pipelines/east/neupopenseason/Open_Season_Notice.pdf)

...with some 70,000 miles of pipelines and 180 storage terminals. (Source: http://www.kindermorgan.com/business/gas_pipelines/east/neupopenseason/Open_Season_Notice.pdf)

— Forbes puts the figure at 82,000 miles of pipeline owned by Kinder Morgan. (Source: <http://www.forbes.com/profile/richard-kinder/>)

— Richard Kinder is the CEO and chairman of the board of Kinder Morgan. (Source: <http://www.forbes.com/profile/richard-kinder/>)

— Mr. Kinder is the former president and COO of Enron ... (Source: <http://blogs.wsj.com/deals/2011/10/17/richard-kinder-the-luckiest-ex-enron-employee/>)

... and is the richest man in Houston, Texas ... (Source: <http://www.forbes.com/sites/christopherhelman/2012/11/21/rich-kinders-energy-kingdom/>)

... with a net worth estimated at \$9 billion. (Source: <http://www.forbes.com/profile/richard-kinder/>)

— The U.S. Tax Code allows energy companies such as Kinder Morgan to avoid most or all corporate taxes. (Source: <http://www.businessweek.com/articles/2013-01-24/it-pays-to-own-an-energy-pipeline-dot-thanks-tax-code>)

What if I don't want the pipeline to go through my property?

— You can deny Kinder Morgan/TGP permission to survey your land. When landowners deny permission, TGP can file a petition with the Massachusetts Department of Public Utilities (“DPU”), to obtain permission from the state. (See e.g., http://www.env.state.ma.us/DPU_FileRoom/frmDocketSingleSP.aspx?docknum=13-166.)

— DPU has advised that landowners will have an opportunity to participate in hearings if Kinder Morgan/TGP files such a petition. (Source: *personal communication*)

— Procedural delays and permitting “red tape” have derailed natural gas pipeline projects in Massachusetts in the past. (*See, e.g., <http://wakefieldnews.blogspot.com/2008/04/so-much-for-gas-pipeline.html>*)

— Denying permission to survey is not the same as refusing to negotiate an easement (and risking the right-of-way being taken by eminent domain, discussed below). Allowing permission to survey does not strengthen your bargaining position.

— This project requires a “certificate of convenience and necessity” from the Federal Energy Regulatory Commission (“FERC”). (*Source: <http://www.law.cornell.edu/uscode/text/15/717f>*)

— If TGP receives that FERC certificate, the company can take property by eminent domain. (*Source: <http://www.law.cornell.edu/uscode/text/15/717f>*)

— TGP has not yet sought a certificate from FERC or any other permits for the pipeline. (*As of July 5, 2014.*)

What about wetlands and protected lands?

— As a federal agency, FERC can preempt or supersede much state and local law. (*Source: <http://www.rcalaw.com/condemnation-issues-under-the-natural-gas-act>*)

— This “preemption power” stems from interpretations of the “Supremacy Clause” of the US Constitution and certain federal statutes, including the Natural Gas Act of 1938. (*Source 1: <http://www.law.cornell.edu/wex/preemption>*) (*Source 2: http://www.eia.gov/oil_gas/natural_gas/analysis_publications/ngmajorleg/ngact1938.html*)

— Even land with conservation restrictions can be taken by eminent domain. (*Source: <http://www.massland.org/files/When%20Forever%20Proves%20Fleeting.pdf>*)

— FERC cannot, however, preempt water quality standards and certain other certification programs that are authorized by state law. (*Source 1: <http://www.fas.org/sgp/crs/misc/97-488.pdf>*) (*Source 2: <https://www.ferc.gov/help/processes/flow/gas-2.asp>*)

— The Energy Policy Act of 2005 exempted the hydraulic fracturing process (through which natural gas is now extracted from deep wells using chemicals and water) from certain federal environmental regulation, including regulations under the Safe Drinking Water Act. (*Source: <http://www.independentwatertesting.com/education-center/148-what-is-the-halliburton-loophole.html>*)

— These 2005 exemptions mean, among other things, that under federal law, gas companies need not disclose what chemicals are used in gas extraction or whether these chemicals persist in the natural gas that is transmitted via pipeline. (*Source: <http://sites.allegheny.edu/boussonadvisorygroup/laws-and-regulations>*)

— Early intervention by governmental and nongovernmental stakeholders in any FERC process is likely to be critically important; FERC sometimes makes compliance with certain state and local environmental permits a condition of the certificate. (*Source: <http://www.gao.gov/assets/660/652225.pdf> <http://constitutionpipeline.com/regulatory-process/>*)

Would this fuel become more available as an alternative to propane?

— Not necessarily. A main goal of the pipeline is to allow increased capacity for use of natural gas for electricity generation and heating for customers already using natural gas. (Source: http://www.masslive.com/business-news/index.ssf/2013/02/massachusetts_faces_natural_gas_shortage.html)

— The company also wants this pipeline for export markets. (Source: http://www.kindermorgan.com/business/gas_pipelines/east/neuropenseason/Open_Season_Notice.pdf) (Natural gas must be liquefied for shipment; liquefied natural gas (LNG) developers in Canada are referred to in this document as potential customers. While TGP has not articulated an intention to build an export facility itself, the federal government has begun authorizing LNG export facilities. Source: <https://www.ferc.gov/industries/gas/indus-act/lng.asp>)

Would the pipeline lower my energy bills?

— It cannot be predicted what the price of gas will be in the future, but as gas becomes harder to extract and gets shipped to foreign markets, there will be less available here and prices are likely to trend up. (Source 1: <http://www.csmonitor.com/Environment/Energy-Voices/2013/0114/Natural-gas-oil-prices-why-the-long-term-forecasts-are-wrong>) (Source 2: http://accf.org/wp-content/uploads/2013/11/ACCF_LNG_Price_Impact_11.06.13_d3.pdf)

— Over-reliance on natural gas as our region's primary source of energy is already seen as a problem by many, in part due to a history of price volatility in natural gas markets. (Source: http://blog.rmi.org/blog_2013_03_19_Breaking_New_Englands_Natural_Gas_Addiction#.UzVIYpR9aQs.twitter)

— As mentioned above, as currently conceived, there would be an additional charge on electric bills to pay for construction of the pipeline. (Source: http://www.nescoe.com/uploads/ISO_assistance_Trans_Gas_1_21_14_final.pdf)

How would the pipeline affect my property value and ability to get a mortgage?

— It appears likely that the pipeline would decrease individual property values and the value of surrounding properties. (Source 1: http://www.forensic-appraisal.com/gas_pipelines_q_a) (Source 2: <http://www.abc12.com/story/25056405/texas-landowners-win-21-million-judgment-against-pipeline-company-over-lower-property-value>.)

In Lee, Massachusetts, the assessed land value of a property is reduced by 10% when a pipeline is accessed near a residence. (Personal communication, March 27, 2014.)

Would TGP pay me for the right to put the pipeline on my property?

— Yes; generally, you would receive a one-time payment, (http://pstrust.org/docs/sample_row.pdf) and you would permanently forfeit control over this stretch of land on your property.

Could I limit the activities allowed in the pipeline right-of-way?

— While you may be able to negotiate specific restrictions of the gas company's activities, there are reports of tree removal, trespassing and other violations of negotiated easement terms. (Source: *personal communication with affected party.*)

— Existing pipelines in this state limit landowners' activity, for example, by prohibiting vehicular access from one portion of a landowner's property to the other side of the pipeline. (*Source: personal communication with affected party.*)

— The pipeline right-of-way is likely to be at least 50 feet wide, with an additional temporary work zone for construction (typically 25 to 50 feet outside the permanent right-of-way, or wider at road or stream crossings). (*Source: <https://www.ferc.gov/for-citizens/citizen-guides/citz-guide-gas.pdf>, pp. 8-9*)

Are these pipelines safe?

— Fires and explosions due to leaks in the natural gas infrastructure are being reported with increasing frequency. (*Source 1: <http://www.csmonitor.com/Environment/2012/1212/West-Virginia-gas-pipeline-explosion-just-a-drop-in-the-disaster-bucket>*) (*Source 2: <http://www.cbc.ca/news/pipeline-safety-incident-rate-doubled-in-past-decade-1.2251771>*)

—It is not clear how the pipeline would impact "controlled burn" policies in state-owned forests such as the Montague Plains Wildlife Management Area. (*See http://www.umass.edu/nebarrensfuels/ma_barrens/montague/*)

— Pipeline infrastructure may also be at risk of sabotage and terrorism. (*Source 1: <http://www.pipelineandgasjournal.com/pipeline-security-new-technology-today's-demanding-environment>*) (*Source 2: <http://www.bloomberg.com/news/2014-06-13/uglygorilla-hack-of-u-s-utility-exposes-cyberwar-threat.html>*)

— Gas in interstate pipelines generally does not have an odorant added, so you cannot smell a leak; an odorant is only required in high-population-density areas. (*Source: http://phmsa.dot.gov/statiqfiles/PHMSA/DownloadableFiles/Files/buzz_fant.pdf*)

— A shareholder suit recently filed against Kinder Morgan alleges that money that should be used to maintain its pipelines is being funneled into profits for the company. (*Source: <http://www.bloomberg.com/news/2014-02-06/kinder-morgan-sued-by-investor-over-pipeline-distributions-1-.html>*)

Would the pipeline bring jobs to our state?

— Most of the jobs associated with the pipeline would be temporary jobs and possibly for out-of-state employees of the company. *In the case of the Keystone XL Pipeline, of the 42,100 jobs that might result, only fifty are predicted to be in place after the one- to two-year construction period.* (*Source: <http://keystonepipeline-xl.state.gov/documents/organization/221135.pdf>, p. ES-19, 4.3.1 - Economic Activity Overview*)

Local engineering firms and consultants or workers for various aspects of the project may be employed for planning, public relations, permitting and construction. Local construction unions may seek to be awarded the contracts relating to this project; these local workers could alternatively be employed to fix the leaks in the existing natural gas infrastructure across our state. (*Source 1: personal communications.*) (*Source 2: <http://www.clf.org/wp-content/uploads/2013/08/Markey-Gas-Leaks-Report-2.pdf>*)

—This contrasts with renewable sources of energy and energy efficiency programs that are bringing long-term jobs to our state. (*Source: <http://www.prnewswire.com/news-releases/vivint-solar-expands-massachusetts-presence-into-taunton-marlborough-and-holyoke-251171931.html>*) (*Source 2: http://www.ma-eeac.org/Docs/4.2_2013_2015%20Plan%20Archive/8Gas%20and%20Electric%20PAs%20April%2030th%20Plan%20Final.pdf*)

Is natural gas an important “bridge fuel”?

— Some argue that increased pipeline capacity could be important to displace other dirty forms of energy like coal until efforts to increase renewable energy come to fruition. (*Source: <http://www.scientificamerican.com/article/natural-gas-could-serve-as-bridge-fuel-to-low-carbon-future/>*)

— In that respect, natural gas is viewed by some as a “bridge fuel.” (*Source: <http://www.scientificamerican.com/article/natural-gas-could-serve-as-bridge-fuel-to-low-carbon-future/>*)

— Recent studies suggest that natural gas is not an appropriate “bridge fuel” because it is primarily methane, an extremely potent greenhouse gas, and is often leaked in drilling, transmission and distribution without detection. (*Source 1: http://dataspace.princeton.edu/jspui/bitstream/88435/dsp019s1616326/1/Kang_princeton_0181D_10969.pdf*) (*Source 2: "Toward a better understanding and quantification of methane emissions from shale gas development," <http://www.pnas.org/content/early/2014/04/10/1316546111>*) (*Source 3: <http://thehill.com/blogs/e2-wire/e2-wire/198392-study-natural-gas-may-not-be-bridge-fuel-to-combat-climate>*)

— There is no proof that, for lifecycle impacts, natural gas obtained through hydraulic fracturing has less of a climate impact than coal; Physicians for Social Responsibility suggest that climate impacts from natural gas may be worse than from oil. (*Source: <http://www.psr.org/environment-and-health/environmental-health-policy-institute/responses/natural-gas-the-newest-danger-global-warming.html>*)

— Also, investing in more fossil fuel energy infrastructure takes away investment from renewable energy investment.

Do we need this pipeline to prevent an energy shortage?

— The proposed New England portion of the TGP Northeast Energy Direct Project would deliver far more capacity than is needed to meet projected energy or power generation needs. An executive whose company owns gas-fired power plants in New England recently told the Wall Street Journal that proposing a massive pipeline-building program for our region is like "trying to kill a cockroach with a sledgehammer". (*Source 1: <http://online.wsj.com/news/articles/SB10001424052702304788404579519461682943726>*) (*Source 2: http://www.kindermorgan.com/business/gas_pipelines/east/neupopenseason/Open_Season_Notice.pdf*) (*Source 3: www.nescoe.com/uploads/ISO_assistance_Trans_Gas_1_21_14_final.pdf*)

— Fixing the leaks in existing pipelines in our region could improve energy efficiency substantially. (*Source: <http://www.clf.org/wp-content/uploads/2013/08/Markey-Gas-Leaks-Report-2.pdf>*)

— To address *peak* energy needs in the summer and the winter, "peak shaving" strategies can be improved. These include:

- promoting new energy storage solutions to manage peak demand such as Electric Thermal Storage powered by air source heat pumps (*Source 1: www.steffes.com/off-peak-heating/forced-air-heatpump.html*) (*Source 2: <https://www.youtube.com/watch?v=ck8bJhLJ08Y>*); (*Source 3: <https://www.govtrack.us/congress/bills/113/s1030>*) (*Source 4: http://www.concordma.gov/pages/ConcordMA_LightPlant/ets*);
- switching to smart meters to create a market incentive for homes to run appliances during non-peak hours and for firms to invest in equipment that helps them manage peak usage (*Source 1: <http://www.vermontlaw.edu/Documents/IEE/CVPS-SmartGrid-Report-Final-120215.pdf>*) (*Source 2: <http://www.greentechmedia.com/articles/read/Retail-Utilities-Count-on-Smart-Meters-to-Succeed-in-Solar>*) (*Source 3: <http://www.constellation.com/business-energy/demand-response/pages/peak-load-management.aspx>*);

- increasing storage of liquefied natural gas (LNG) at power generation facilities (LNG currently provides 30% of daily peak supply in the winter for several local gas utilities for heating fuel and provides about 10% of New England's total annual gas supply) (*Source 1: http://www.northeastgas.org/about_lng.php*) (*Source 2: http://www.eia.gov/pub/oil_gas/natural_gas/analysis_publications/ngpipeline/transsys_design.html*) (*Source 3: http://www.eia.gov/pub/oil_gas/natural_gas/analysis_publications/ngpipeline/lngpeakshaving_map.html*)
- implementing innovations in the future such as distributed storage using electric cars. (*Source 1: <http://www.forbes.com/sites/heatherclancy/2013/10/28/how-electric-vehicles-could-drive-changes-in-power-grid-management/>*) (*Source 2: <http://www.greentechmedia.com/articles/read/SolarCitys-Networked-Grid-Ready-Energy-Storage-Fleet>*)

— Programs that subsidize residential conversion of oil heating systems to natural gas can be scaled back, and some of those funds can be redirected to weatherization programs for homes that have oil or propane heat. (*Source: <http://www.oilheatsaveenergycoalition.org/MA-Oil-Heat-Facts--2014.pdf>*)

— Solar hot water installations in New England (with electric or propane backup) are already economical in Massachusetts and can be expanded through greater public education on this option. (*Source: <http://neshw.com/residential>*)

— Programs that educate contractors and vocational students about home weatherization and green construction techniques can be expanded, and "stretch codes" can be adopted in many additional communities. (*Source: <http://www.mass.gov/eea/docs/doer/green-communities/grant-program/stretch-code-towns-adoption-by-community-map-and-list.pdf>*)

(*See generally, "How Our Region Can Supply All its Own Energy through Renewables," Powerpoint presentation by Commissioner David Cash of the Department of Environmental Protection, April 10, 2014, <http://vimeo.com/91650520>, available at <http://nettransition.org/net-zero-new-england>.*)

— Lifting the cap on the amount of energy that can be sold back to the grid by customers with their own renewable energy systems — particularly by municipalities — would allow much of generation capacity lost when coal burning plants are closed down to be replaced by renewable energy. This cap has already been reached, due to the success of programs like the one in Gloucester, MA. (*Source 1: http://www.bizjournals.com/boston/blog/mass_roundup/2014/03/solar-showdown-on-beacon-hill.html?page=all*) (*Source 2: <http://pearenergy.blogspot.com/2014/03/americas-largest-grid-operator-massive.html>*) (*Source 3: <http://www.boston.com/news/local/massachusetts/2013/01/06/three-wind-turbines-push-gloucester-renewable-energy-forefront/BzZc7P2iDdYpNAXMeNSzOM/story.html>*)

— There is evidence that shale gas in New York is not plentiful and exploration is not profitable at present gas prices, so the promise of cheap gas prices after these pipelines are built may not come to fruition. Over the period from 2020 to 2030, shale drilling in New York may only be profitable at gas prices that are two to four times what we currently pay. (*Source 1: <http://www.examiner.com/article/oil-and-gas-majors-now-cutting-back-u-s-shale-gas-fields>*) (*Source 2: <http://resourceinsights.blogspot.com/2014/04/new-york-state-shale-gas-not-so-much.html>*)

— ***It should be noted that firms recommending massive increases in gas capacity have a checkered past.*** Competitive Energy Services of Portland, Maine, has been assessed a penalty of \$8.75 million by the Federal Energy Regulatory Committee (FERC) for abusing a New England program. This is the same firm that issued a 30-page report, paid for by a nonprofit think-tank funded through electricity tariffs, recommending an additional one billion cubic feet of natural gas pipeline capacity. (*Source 1: http://www.pressherald.com/business/energy-firm-to-contest-federal-fines_2013-09-05.html*) (*Source 2: <http://www.unionleader.com/article/20140218/NEWS05/140219222/1012/NEWS08>*)