



June 1, 2016

Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street NE, Room1A
Washington, D.C. 20426

Re: Algonquin Gas Transmission, LLC, Atlantic Bridge Project, Docket #CP16-9

Dear Secretary Bose:

On behalf of our 60,000 members and supporters across the Commonwealth, the Massachusetts Sierra Club appreciates this opportunity to submit comments to the Federal Energy Regulatory Commission (FERC) regarding Docket #CP16-9, Algonquin Gas Transmission, LLC's proposed Atlantic Bridge Project Environmental Assessment (EA).

Our primary conclusion is that the EA is invalid and should be re-done. Our reasons for coming to this conclusion are indicated below.

Here are our two primary concerns regarding the planning process.

First, there has been no realistic participation with those affected. No public meetings with opportunities to ask questions and get answers, to engage with proponents and their hired consultants. The initial meetings have large maps and personnel to answer individual questions, in an extremely limited fashion. The personnel at such meetings can explain only where the route goes. The public hearings are one-way: FERC staff stoically sitting at a table while the public presents statements.

Second, we have been given only 30 days to respond to the EA. Again, there is no public meeting, no opportunity to ask questions and to engage with proponents. This is not an acceptable process unless your agency is interested only with going through the motions of gathering public input as quickly as possible. An agency sincerely interested in public feedback would allow more time for review and opportunities for real discussion. So please extend the comment period, conduct a series of meetings, and have proponents and those who wrote this study available to give presentations and answer questions at those meetings.

Here are two major concerns regarding the preparation of this document.

First, given the interconnectedness of the New England ISO region, a full Environmental Impact Statement (EIS) on the entire New England system is warranted. This is particularly crucial as we become more aware of the accelerating and potentially catastrophic effects of climate change. We can no longer afford to plan in a vacuum - one source or form of energy at a time. We need to look at the whole picture. An EIS for this project ought to include a no-build as well as other feasible alternatives, including taking into account the effect of (i) energy efficiency and conservation measures which have alone flattened demand for natural gas in the last two years, (ii) energy demand

management and response, and (iii) renewables such as solar, the currently planned precedent-setting offshore wind projects south of Martha's Vineyard and the Deepwater project under construction. The assessment ought to include future projects as well: offshore wind throughout New England coastal waters, the effect of energy storage development, and small-scale hydropower. Also, that study ought to outline any future pipeline projects under consideration, even those at a preliminary stage.

Second, the company selected by FERC chose to conduct this EA, as well as do the EIS for Access Northeast, is Natural Resources Group (NRG). NRG is owned by ERM, the company that favorably reviewed the Keystone XL northern route. Spectra Energy has had an ongoing relationship with NRG since 2011. There is a valid concern that the relationship between Spectra and NRG has compromised the objectivity of this study. On its face, there is a material appearance of a conflict of interest. This also appears to be a violation of FERC Conflict-of-Interest by-laws, which state that contractors on proposed projects before FERC are prohibited from having a business relationship with the project applicant. As a matter of fact, the pervading tone of this Atlantic Bridge Project Environmental Assessment is one of self-justification rather than critical, objective analysis. There is a minimization of concerns and, in many instances, a simple statement of effects without discussion of possible consequences.

Of even graver concern than past financial arrangements between Spectra and NRG is that the latter has a financial stake in the outcome of this project. NRG works for PennEast consortium, of which Spectra is a member. The goal of the PennEast consortium is to move fracked gas from Pennsylvania east to the coast for export to Canada and overseas.¹

An article in a Canadian newspaper last year outlines this natural gas export plan in some detail.² These export plans were categorically denied by Spectra then and have not been acknowledged to date. Here is an excerpt from that August 17, 2015 newspaper article:

As well, Spectra Energy Corp. is planning to build a new gas pipeline from the prolific Marcellus field in Pennsylvania to New England, where it can be connected to Spectra's Maritime and Northeast Pipeline, which would be reversed to carry gas into Nova Scotia.

That project has run into stiff opposition in Massachusetts but Spectra vice-president Richard Kruse said the company is confident it can overcome those hurdles, obtain federal approval and meet a 2017 in-service date.³

FERC's own standards recognize this as a clear conflict-of-interest that cannot be permitted.

¹ <http://www.desmogblog.com/2016/05/26/revealed-contractors-hired-ferc-review-new-spectra-energy-pipeline-work-spectra-related-project>

² <http://www.theglobeandmail.com/report-on-business/industry-news/energy-and-resources/two-national-energy-board-approved-lng-projects-hinge-on-us-permits/article25995937/>

³ *Op. Cit.*, paragraphs 11-12.

Additional comments:

1) Regarding the lack of regional focus and the segmentation of projects, please note that a study⁴ conducted by the Massachusetts Attorney General (AG) concluded that no additional natural gas pipelines are required for New England at this time or in the foreseeable future. The AG, as the primary voice for the protection of the public and ratepayers' interest in Massachusetts, finds this pipeline unnecessary. It is the responsibility and burden of the proponent of this project to prove otherwise.

2) The Atlantic Bridge project is directly linked to the Northeast Access and the Algonquin Incremental Market projects. Treating these projects apart, in separate dockets, is unlawful segmentation and should not be permitted. The dockets should be consolidated and one application be submitted for a single project. This application ought to include any possible future projects on the horizon.

The EA covers this topic by saying that the timing of Atlantic Bridge, Access Northeast, and the Algonquin Incremental Market projects are different.⁵ If one were interested in segmenting a project, of course separating them in time would be helpful.

3) The financial consequences to energy consumers in Massachusetts and New England when new pipelines are severe, when these become under-utilized or stranded assets as they will due to two major factors. One, our ever-accelerating switch to clean, renewable energy, energy efficiency and conservation efforts. Two, the increasing fragility of the fracking market:

Haynes and Boone has tracked 77 North American oil and gas producers that have filed for bankruptcy since the beginning of 2015. These bankruptcies, including Chapter 7, Chapter 11, Chapter 15, and Canadian cases, involve approximately \$51.9 billion in cumulative secured and unsecured debt. As of May 16, 2016, 35 producers have filed bankruptcy so far this year, representing approximately \$34.7 billion in cumulative secured and unsecured debt. Despite the modest recovery in energy prices, all indications suggest many more producer bankruptcy filings will occur during 2016.⁶

4) How would this project affect Massachusetts and New England's ability to meet our Clean Power Plan requirements?

⁴ *Power System Reliability in New England, Meeting Electric Resource Needs in an Era of Growing Dependence on Natural Gas*, Analysis Group, Inc., Paul J. Hibbard, Craig P. Aubuchon, November 2015

⁵ Additionally, improper segmentation is usually concerned with projects that have reached the proposal stage, which is not the case for the ANE Project. Algonquin has initiated the pre-filing process with FERC but have not filed an application with the Commission for the ANE Project. Rather, the ANE Project is in the development phase and Algonquin is still evaluating the potential market for the ANE Project based on interest for additional natural gas supplies in New England and/or the Canadian Maritime provinces. The AIM Project is currently under construction with an anticipated in-service date of November 2016. The entire 342,000 Dth/d capacity of the AIM Project is accounted for by precedent agreements with 10 shippers. Atlantic Bridge Project Environmental Assessment, Section 1-3.

⁶ http://www.haynesboone.com/~media/files/attorney%20publications/2016/energy_bankruptcy_monitor/oil_patch_bankruptcy_20160106.ashx

5) The project would make the attainment of the MA Global Warming Solutions Act (GWSA) virtually impossible. A recent decision of the MA Supreme Judicial Court upheld the need of the Commonwealth of Massachusetts to satisfy the GWSA at a minimum on an annual incremental basis.⁷

6) What is the effect on Massachusetts' goal to develop a 100% clean and renewable energy economy if investment dollars are put into more natural gas pipeline capacity?

7) This project requires the construction of a compressor station in Weymouth MA. As made visually clear in Figures 2.8.3-1 through 2.8.3-4, the area is significantly more densely developed than any of the other compressor station locations, with several schools nearby. There are approximately 3,000 children within a mile of this proposed station. The footprint of the station is 16 acres, which is only approximately a quarter of the normal compressor station footprint. The compressor is clearly a "new aboveground facility near population centers." That in itself warrants a full EIS per FERC policy.

8) The impacts of this project on wildlife, rare and endangered species, protected natural lands, invasive species, habitat fragmentation, and floodplains are addressed in a perfunctory manner, as if these were an insignificant concern and able to be glossed over with lip-service. There is no discussion, for example, of the effect of the differential temperature of the operating pipelines on natural habitat. Given the location of the Weymouth compressor station, there is no serious discussion of effects on shore birds and marine life.

9) There is no discussion in the EA of the project's effect on existing gas leaks in the area. These will be exacerbated whenever pressures in local lines are increased. Please require an inventory of existing leaks that would be affected by this project. Please prohibit any increases in pressure in local lines until such leaks have been repaired. Require the documentation of the magnitude of the increase in methane leakage if such repairs were not done and increased pressures were allowed. Using the accepted twenty-year multiplier of 86 for methane, compute the greenhouse gas (GHG) equivalent due to the expected leakage rate with the higher pressure pipeline scenario.

10) Does the project need to be leakage-free in order to meet: a) Clean Air Act standards and b) Global Warming Solutions Act Green House Gas emission standards?

11) There was apparently no price put on carbon in the planning of this project. Please require that, including the carbon content of the GHG emissions from construction and operations. Include climate pollutants from both the burning of fossil fuels as well as leakage.

12) Please consider the climate impacts of activities outside of the project pipeline area that are directly associated with it, such as the flaring and leakage of methane or the impact on drinking water in the Marcellus shale region. This project does not exist in a vacuum.

13) Is the project intended primarily to serve peak-demand needs? If so, why not continue with LNG supplied through the Everett facilities? This alternative would be significantly less expensive

⁷ Kain v. Department of Environmental Protection, 474 Mass. 278, Mass., 2016.

and disruptive. Also, the MA Attorney General's study indicates that winter electricity peaking will become less of a concern as we continue energy efficiency and conservation and move toward renewable energy.⁸

14) This project includes the construction of high-pressure pipelines in high-density locations, in Massachusetts, specifically, Weymouth, Braintree and other communities along the route. This is contrary to government and industry safety standards.

15) High-pressure pipelines are potential targets for intentional attacks. Please provide more specifics regarding reviews of this application by U.S. and state-level security authorities.

16) A Spectra pipeline exploded in Pennsylvania on April 29, 2016, and "blew a 12 foot deep, 1500 square foot hole and scorched 40 acres."⁹ It was a rural area, and there was but one victim, with third-degree burns over 75 percent of his body. Please document the effect of an explosion on the Atlantic Bridge line in terms of potential loss of life, injuries, and property damage.

17) The initial diagnosis of the cause of that Spectra Pennsylvania explosion is pipe corrosion. This and all gas pipeline projects should be put on hold in the interest of public safety until authorities have determined the cause, and ensured that such an event could not occur here.

18) After the Pennsylvania explosion, it took over an hour to turn the gas off. Please provide information on how long it would take to turn off the gas at each location of the pipeline in an emergency.

19) The natural gas traditionally transported by pipelines has been replaced by fracked gas. What testing has been done on pipeline materials to ensure that the chemicals used for fracking do not have an adverse impact on the integrity of new and existing pipelines?

20) What testing has been done to ensure that the chemicals used for fracking are not leaking into our homes and businesses, and if they are leaking, what health threats do they pose?

21) The project would have an adverse impact on the economy of Massachusetts and other New England states. It would slow the growth in clean energy jobs and continue the export of our energy dollars, a serious socio economic issue not addressed in the EA. The project is not in the public interest of the Commonwealth of Massachusetts or of the other New England states. It is tragically ironic that we are discussing the import of hydropower from Canada while perhaps exporting fracked gas to them, at enormous ratepayer expense in both directions.

22) If exports were to occur, will there be any guarantees that we, who would be burdened by the new gas infrastructure, would be immune from price increases due to higher market prices abroad?

⁸ ISO-NE Capacity, Energy, Load and Transmission (CELT) Report, System Planning, May 1, 2015.

⁹ <https://stateimpact.npr.org/pennsylvania/2016/05/04/pa-pipeline-explosion-evidence-of-corrosion-found/>

23) Would this project be subject to and built to conform to the EPA's new methane emission rules?¹⁰

24) It is remarkable that the study finds that the ambient noise levels in Weymouth would not be raised. Assuming such is not the case, what recourse would be available to obtain noise mitigation, including barriers? Compressor stations are well known to be noisy.

25) There was no discussion of third-party held funds or availability of bonding or insurance that would be set aside to pay for and mitigate any harm to property or persons by the proposed project. What guarantees would there be to prevent the companies in question to declare bankruptcy and avoid damages, thereby throwing cost burdens on taxpayers?

26) A study of particulate matters at the proposed Weymouth compressor site states: ..our data show that 24 hour concentrations of PM2.5 already greatly exceed those predicted in the Environmental Assessment after the station begins operation.¹¹ How can this be?

27) It is stated in the EA that “renewable-energy generated electricity [is} not considered because this is a study to provide natural gas. Therefore it is outside of our scope.” It is hard to come up with an analogy that does justice to this iconoclastic, disturbing point of view.

Thank you for your consideration.

Sincerely,



Cathy Ann Buckley
Chair

¹⁰ <https://www3.epa.gov/airquality/oilandgas/>

¹¹ Particulate matter pollution around the Fore River Basin: Comparing local estimates to regional observations and dispersion modeling estimates. Technical report, Fore River Residents Against the Compressor Station, Susan Harden, & Curtis L Nordgaard MD Msc, April 2016.