New Study Questions Economic Benefit Claims of Atlantic Coast Pipeline

Charlottesville, VA—The claimed economic benefits of the proposed Atlantic Coast Pipeline (ACP) are overstated, lack sufficient supporting data, and fail to account for environmental and societal costs, according to a newly released analysis by Synapse Energy Economics of Cambridge, MA.

Atlantic Coast Pipeline Benefits Review was commissioned by the Southern Environmental Law Center (SELC) and is today being released jointly with the Allegheny-Blue Ridge Alliance, a coalition of 43 organizations in Virginia and West Virginia that are concerned about the impact of the ACP on affected communities and citizens. SELC is a member of the coalition.

The Synapse report reviewed two economic benefit reports that have been released by Dominion Resources, principal shareholder in the ACP project:

1) The Economic Impact of the Atlantic Coast Pipeline in West Virginia, Virginia, and North Carolina, prepared by Chmura Economics of Richmond, VA and released in September 2014; and

2) The Economic Impacts of the Atlantic Coast Pipeline, prepared by ICF International of Fairfax, VA and released in February 2015.

The Synapse review criticizes the credibility of the economic claims included in the Chmura and ICF reports released by Dominion Resources.

Among Synapse’s principal findings were:

• “Both the ICF report and Chmura report…lack the transparency and verifiable data necessary for independent review” and “do not provide the useful, objective tools necessary to inform a public decision-making process meant to ensure the public good.”

• On the ICF report, “The conclusion that all energy savings to businesses from the ACP will be used to create new jobs is not supported by evidence.” Further, “based on the flaws that were identifiable in the report, it is likely that the results overestimate the benefits of the pipeline.”
“The Chmura study provides detailed tax revenue benefits for three states, but fails to provide any underlying data or assumptions for these tax revenue calculations.”

The review by Synapse also highlights several societal and environmental costs of the ACP that are not addressed by either the ICF or Chmura reports:

Examples include:

• “Very large, high pressure natural gas transmission pipelines like the one proposed by Dominion pose substantial public safety risks to nearby residents. . . . Despite the passage of the Pipeline Safety Improvement Act in 2002, there have been more than 3,000 significant accidents, causing more than 150 fatalities, hundreds of injuries, and billions of dollars in property damage, including four major incidents in North Carolina, Virginia, and West Virginia in the last few years.”

• “The ACP project could have detrimental effects on property values in communities where the pipeline will be located. . . . Reduced property values would lead to lower assessed real estate values and, therefore, lower tax revenues.”

• Pipeline construction “could lead to water quality impacts,” “may damage productive farmland and forest land,” “can have detrimental impacts on wildlife through habitat loss and fragmentation,” and “could affect the natural beauty and recreational value of areas like the Blue Ridge Mountains, Monongahela National Forest, and the George Washington National Forest.”


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**About Synapse Energy Economics:** Synapse Energy Economics is a research and consulting firm specializing in energy, economic, and environmental topics founded in 1996. The firm has particular expertise with natural gas and pipelines, having conducted a study this past January for the Massachusetts Department of Energy Resources on “the current demand for and capacity to supply natural gas in Massachusetts” and the possible need for additional infrastructure. Synapse has also done studies for the U.S. Department of Energy, U.S. Energy Information Administration, West Virginia Consumer Advocate Division and the Virginia Office of the Attorney General.


**About the Southern Environmental Law Center:** The Southern Environmental Law Center is a regional nonprofit using the power of the law to protect the health and environment of the Southeast (Virginia, Tennessee, North and South Carolina, Georgia, and Alabama). Founded in 1986, SELC’s team of about 60 legal and policy experts represent more than 100 partner groups on issues of climate change and energy, air and water quality, forests, the coast and wetlands, transportation, and land use. [www.SouthernEnvironment.org](http://www.SouthernEnvironment.org)

**About the Allegheny Blue-Ridge Alliance:** The Allegheny Blue-Ridge Alliance is a coalition of 43 organizations concerned about the natural gas pipeline that Dominion Resources and its partner companies have proposed to build through portions of West Virginia and Virginia. [www.ABRalliance.org](http://www.ABRalliance.org)