

PennEast gas project hits a wall in N.J.

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New Jersey's environmental office has denied the proposed PennEast pipeline, making it the latest gas line from the Marcellus Shale to be thwarted in the Northeast.

The New Jersey Department of Environmental Protection yesterday declared the PennEast case "administratively closed," saying the company hadn't furnished the necessary details it requested in April and that it wasn't likely to do it soon.

The pipeline, whose project manager is an affiliate of Pennsylvania-based UGI Corp., has been in development since 2014 and received final environmental approval from the Federal Energy Regulatory Commission in April.

New Jersey environmentalists applauded the rejection, saying they hope the project is effectively dead with the gubernatorial election coming this fall. Pat Kornick, a spokeswoman for PennEast, said the company will reapply after it gets its final federal permits.

"Following federal approval, PennEast simply will resubmit its permit application to the NJDEP this year, as acknowledged in the NJDEP letter," she said by email. "After an approximately seven-month construction phase, PennEast anticipates the PennEast Pipeline will be operational in second half 2018."

The decision has similarities to two rejections by New York's environmental office from last year. The New York State Department of Environmental Conservation denied the Constitution pipeline and the Northern Access 2016 project. Both started in Pennsylvania, and both failed to get water permits from New York. New Jersey also denied PennEast a water permit.

PennEast would run 118 miles from northeast Pennsylvania to central New Jersey. Along the way, it would connect to the network of gas pipelines that serve New York City and various gas-fired power plants in the region.

PennEast's sponsors, which included gas utilities and pipeline companies, said the pipeline would help meet growing demand for gas in the Mid-Atlantic region, mainly for heat and power. Shale gas producers in the Marcellus hoped it would help more of their product escape the play, thus boosting prices.

FERC delivered its final environmental impact statement on April 7, saying the project would have "some adverse environmental impacts" but that these could be mitigated.

But on April 26, NJDEP said PennEast's application was incomplete and needed to provide more information on whether it had the legal right to build along its route. NJDEP also requested more archaeological and wetlands information for the 37-mile New Jersey stretch of the project.

PennEast had 60 days, and the period expired yesterday.

Environmental groups, which have dogged the project with lawsuits and landowner campaigns, said they hope Democrat Phil Murphy wins the governorship this fall and blocks PennEast for good. Murphy has opposed the project.

"DEP saw through PennEast's bluff and bluster to push this project through. This shows that our work to fight this pipeline for the past three years have been working," Jeff Tittel, director of the New Jersey Sierra Club, said in a statement. "By educating people not to let PennEast on their land and allow survey access, now they cannot go forward with their application at the DEP.

"This may not be the final blow, but it will be a setback they cannot recover from," he said.