

Marcellus Drilling News

Dominion “Still Committed” to Building Atlantic Coast Pipeline

February 7, 2019 [Dominion Transmission](#), [Energy Services](#), [Industrywide Issues](#), [Pipelines](#)

Dominion Energy’s 600-mile Atlantic Coast Pipeline (ACP) is facing serious delays and cost overruns mainly due to lawsuits brought by Big Green groups (see [minion Delays Atlantic Coast Pipeline Again – 2018 Update](#)). The project is now delayed until late 2020 for a partial startup, with full service sometime in 2021, and the new price tag has ballooned to \$7.5 billion.

The project will be several years late and several billion dollars more expensive than original forecast. Thanks Big Green!

Even with the delays and the higher price tag, Dominion CEO of the Gas Infrastructure Group, Diane Leopold, told an audience earlier this week that the company is still 100% committed to the project:

“We are committed to it,” said CEO Diane Leopold of Dominion’s Gas Infrastructure Group, during a luncheon Monday at American Gas Association (AGA) headquarters in Washington, DC. “Our customers desperately need the infrastructure. It is still profitable and the customers still need it...We certainly are pursuing judicial, legislative and administrative routes.”

Leopold said the U.S. Court of Appeals for the Fourth Circuit, which has stayed or vacated authorizations for ACP several times, including last December, has “done what they’ve done, but the [regulatory] agencies are continuing to work with us, and if there’s information that they need to correct, they will correct it and we will move on.

“We are very confident that this is the most transparent and thoroughly analyzed project and we will prevail,” she said, adding that most of Dominion’s customers continue to back ACP. “The far majority of people that care, and even know about it, know they desperately need the infrastructure.

“You’re turning away customers that cannot go into that area because there is no infrastructure in eastern North Carolina and eastern Virginia. Last winter, [that region] had the highest gas price recorded in the U.S. That isn’t just trying to signal high prices, it’s trying to signal constraints. Industrials are getting shut down on cold days because there isn’t enough natural gas, and the people that understand it know that they need that.” (1)

Amid the delays, a couple of partisan, anti-fossil fuel groups attempting to pass themselves off as unbiased NGOs (what a laugh!) have issued reports questioning whether ACP will ever get built. A sycophantic press jumps in to lend credibility to their *uncredible* “reports”:

The completion of the Atlantic Coast Pipeline has been delayed amid a projected cost increase to more than \$7 billion, about \$2 billion to \$3 billion more than initial projections.

In a separate development, two research organizations released a report questioning the viability of the project. The report released Jan. 29 by the Institute for Energy Economics and Financial Analysis and Oil Change International said lower consumer demand for natural gas and the availability of affordable renewable options were casting doubt on the overall feasibility and potential profitability of the pipeline.

The pipeline project has been delayed until late next year with the pipeline not expected to be in full service until 2021, according to a statement released Friday by the company working on the pipeline.

Atlantic Coast Pipeline LLC, which was formed by Dominion Energy, Duke Energy and Southern Company Gas, is building the pipeline.

The 600-mile pipeline is expected to run from West Virginia, through Virginia and into North Carolina, where it would end near Pembroke. The proposed route of the 36-inch pipeline runs through the northwest corner of Sampson County and near Godwin, Wade, Eastover, Cedar Creek and Gray’s Creek in Cumberland County, and St. Pauls in Robeson County.

The project has faced opposition from residents and environmental groups who say they are worried about potential dangers and have called for more reliance on renewable energy such as solar and wind power.

Supporters of the pipeline say the project will provide a safe, clean source of power that will lower the cost of energy and help economic development.

Some work on the pipeline was suspended last year over questions related to a national permit. Residents and environmental groups have filed lawsuits in an effort to stop the project.

Thomas F. Farrell II, the chairman, president and chief executive officer of Dominion Energy, said in the statement released Friday that the company is confident that all permit issues will be resolved.

“We are actively pursuing multiple paths to resolve all outstanding permit issues including judicial, legislative, and administrative avenues,” he said.

The statement said the company expects that construction could restart in July, August or September. The pipeline was initially expected to be in service this year.

The company now expects the project cost to be between \$7.0 billion and \$7.5 billion, excluding financing costs, the statement said. When the project was first announced cost estimates were \$4.5 billion to \$5 billion.

Karl R. Neddenien, a Dominion Energy spokesman, said the cost increases are due to schedule delays.

“Our customers critically need this project to heat and electrify their homes, businesses and industries, assist in the transition away from coal-fired power generation, support economic and renewable energy development and reduce reliance on a single source of gas delivery,” he said. “Our customers, state regulator commissions and the Federal Energy Regulatory Agency all have attested independently to the critical need for this project.”

Neddenien said the savings that are expected to come from the pipeline’s “low-cost gas” will more than offset the additional project costs. He said the cost is not the only reason the pipeline is needed.

“Having an additional and diversified supply of natural gas is critical, given that utilities are forced to turn away new customers due to the lack of infrastructure,” he said.

The report questioning the pipeline’s viability says the increased cost is one of the project’s challenges. It says the pipeline’s owners will have to recover the cost through rate increases that will have to be approved by regulators in North Carolina and Virginia.

The report also says projections of the need for the natural gas to be carried by the pipeline might be overstated.

“Over the next decade, it is likely that the demand for natural gas in Virginia and North Carolina will be further eroded as renewable energy and storage technologies continue to rapidly decline in price,” the report said.

Tom Clark, a Cumberland County resident who opposes the pipeline, said he doesn’t think the project will be completed.

“This pipeline is not going in the ground,” he said.

Clark, who lives about 900 feet from the pipeline’s proposed path east of Fayetteville, said people are starting to learn more about the project.

“If people started researching the pipeline, the pros and cons, they’d come down on the side of it needs to be stopped,” he said.

Clark said he thinks momentum is swinging toward pipeline opponents.

“I will fight this,” he said. “Even if they put it in the ground, I’m going to fight until I walk through the gates of heaven.” (2)

Hey Tom Clark, what if you arrive at the gates and they aren’t made out of pearl? What if those gates you walk through are made out of coal? Then you’ll know you were playing for the wrong team. We can assure you Mr. Clark, ACP is not only going in the ground, some of it already IS in the ground.

(1) NGL’s *Daily Gas Price Index* (Feb 5, 2019) – [Dominion Remains Committed to ACP, Despite Setbacks, Says Top Exec](#)

(2) *Fayetteville (NC) Observer* (Feb 5, 2019) – [Atlantic Coast Pipeline delayed amid \\$2 billion – \\$3 billion price increase](#)