

# The Recorder

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## **N.C. leaders seek pipeline stoppage, urge FERC to suspend**

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RALEIGH, N.C. — Some 22 North Carolina lawmakers have petitioned federal regulators to rethink the proposed Atlantic Coast Pipeline.

“As members of the North Carolina General Assembly, we respectfully ask the Federal Energy Regulatory Commission to issue a stop work order and suspend the Certificate of Public Convenience and Necessity while it re-assesses the need for the proposed Atlantic Coast Pipeline,” the petition states.

Dominion voluntarily halted construction after a barrage of court orders threw out licensing conditions for the project, but federal regulators have not yet responded.

A joint venture of Dominion Energy, Duke Energy and Southern Company, the pipeline’s now \$7.8 billion price tag would be passed on to captive ratepayers under the developers’ plans. The ACP was first announced in 2014, and approved by FERC in 2017 with the issuance of the Certificate.

### **‘Incompatible with goals’**

The lawmakers said the pipeline developers “have never convincingly demonstrated” a public need for the ACP. “Falling renewable energy prices, and a growing body of evidence that the developers have overstated the demand for gas at the same time that upgrades to existing infrastructure have increased available capacity, further indicate the lack of market need for the ACP,” they said. “If built, it would lock not just North Carolina but the entire Southeast region into decades of climate-disrupting fossil fuel use, which is incompatible with North Carolina’s climate goals as outlined in Gov. Cooper’s Executive Order 80. The lack of demand for the ACP is underscored in the most recent Integrated Resource Plans of Duke and Dominion Energy (whose affiliates are both primary developers and customers of the ACP).

“Duke’s latest IRPs for its two North Carolina electric utilities delay previously planned fracked gas plants by at least five years beyond the originally proposed timeframe, and none have yet been approved by state regulators,” they continued. “Duke’s first power plant that might need more gas supply is not proposed to begin operating until many years after the ACP is supposed to be in service. North Carolina Attorney General Josh Stein also recently argued the utility’s modeling should test a ‘wider range of storage technologies paired with renewable energy’ and take into account the costs to ratepayers from climate change caused by gas-fired generation.”

The lawmakers continued, “Dominion’s most recent IRP was rejected by Virginia state regulators, in part for overstating projections of future electricity demand. Dominion’s re-filed IRP does not propose building any additional combined cycle gas plants in five of six scenarios, including those modeling compliance with carbon regulation. Instead, the plans rely on solar power to replace retiring coal plants. Further, the project has no independent committed customers. Six companies, all of which are regulated utility affiliates of the pipeline’s three owners, have contracted for 96 percent of the pipeline’s capacity. Utility subsidiaries of Duke and Dominion in Virginia and North Carolina have contracted for 86 percent of the pipeline’s capacity. Heightened scrutiny must be applied to these affiliate transactions.”

### **‘Growing uncertainty’**

The group urged FERC to issue a stop-work order and suspend the certificate until another need analysis has been done.

“The ACP is facing numerous legal challenges; seven federal permits have been stayed, vacated, or suspended. According to Dominion Energy, all construction on the pipeline is currently stopped,” they noted. “When — or if — construction will start up again is unknown. In addition to growing regulatory uncertainty, the project is currently two years behind schedule and substantially over-budget. Duke Energy recently estimated the project cost at \$7.8 billion — some one-third higher than the originally estimated \$5.1 billion — with full operation pushed back to at least 2021. Those costs, plus profit, could be passed on the developers’ electricity ratepayers,” the said.

“The burden of this proposed project would fall hardest on communities of color and low-income communities,” they continued. “Thirty thousand Native Americans live in census tracts that FERC considers part of the project area in North Carolina. North Carolina is second in the nation for installed solar capacity. According to the N.C. Department of Environmental Quality, the forecasted growth in the use of renewable energy may reduce the forecasted demand for gas. The ACP is unnecessary to meet demand for gas in our State, and we are concerned that harmful environmental impacts of the proposed ACP, and impacts on ratepayers, outweigh any potential benefits to North Carolina’s citizens. We respectfully urge the commission to issue a stop work order, and suspend the Certificate of Public Convenience and Necessity in order to re-assess the need for this project,” the petition concludes.