



North Carolina General Assembly  
House Of Representatives

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Legislative Ethics Committee  
Joint Select Committee on Storm-Related River Debris/Damage in  
North Carolina

April 12, 2019

Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street NE, Room 1A  
Washington, DC 20426

**Re: Docket Nos. CP15-554-000 and CP15-554-001 (Atlantic Coast Pipeline)**

Dear Secretary Bose,

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 (the Certificate) while it re-assesses the need for the proposed Atlantic Coast Pipeline (ACP)**. 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. 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. 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 Governor Cooper's Executive Order 80.

The lack of demand for the ACP is underscored in the most recent Integrated Resource Plans (IRP) 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. 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.



Dominion's most recent IRP was rejected by Virginia state regulators, in part for overstating projections of future electricity demand.<sup>[1]</sup> 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% of the pipeline's capacity. Utility subsidiaries of Duke and Dominion in Virginia and North Carolina have contracted for 86% of the pipeline's capacity. Heightened scrutiny must be applied to these affiliate transactions. **We urge FERC to issue a stop work order and suspend the Certificate of Public Convenience and Necessity until another analysis of need 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. 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 burden of this proposed project would fall hardest on communities of color and low-income communities. Thirty thousand Native Americans live in census tracts that FERC considers part of the project area in North Carolina.<sup>[2]</sup>

North Carolina is second in the nation for installed solar capacity. According to the NC 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.**

Sincerely,

Representative Pricey Harrison, District 61  
Representative Marcia Morey, District 30  
Representative Graig Meyer, District 50  
Representative Allison Dahle, District 11  
Representative Susan Fisher, District 114  
Representative Evelyn Terry, District 71  
Representative Cecil Brockman, District 60  
Senator Wiley Nickel, District 16  
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Senator Valerie Foushee, District 23  
Senator Kirk deViere, District 19

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Representative Naasif Majeed, District 99  
Representative Deb Butler, District 18  
Representative John Autry, District 100  
Representative Terry Garrison, District 32  
Representative Cynthia Ball, District 49  
Senator Natasha Marcus, District 41  
Senator Terry Van Duyn, District 49  
Senator Mike Woodard, District 22  
Senator Mujtaba Mohammed, District 38

<sup>[1]</sup> Institute for Energy Economics and Analysis (IEEFA) and Oil Change International, *The Vanishing Need for the Atlantic Coast Pipeline, Growing Risk That the Pipeline Will Not Be Able to Recover Costs From Ratepayers*, January 2019.  
<sup>[2]</sup> Emanuel, Ryan. (2017, July 21). Flawed environmental justice analysis. *Science Magazine*, 357(6348). Retrieved from [www.sciencemag.org/content/357/6348/260](http://www.sciencemag.org/content/357/6348/260).