



ABRA Update #305 – April 2, 2021

Issue Highlights . . .

- New study highlights risks for future gas development in Appalachia
- Senators Kaine and Warner voice concerns about MVP stream crossings
- Governor Northam signs bill for study of gold mining in Virginia
- Biden appoints EJ Advisory Council, including Tom Cormons of App Voices
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New study highlights risks for future gas development in Appalachia

Further natural gas extraction in Appalachia is unlikely to be profitable as the US energy system undergoes rapid decarbonization, according to a report from the [Ohio River Valley Institute](#) (ORVI), an independent think tank located in Johnstown, PA.

Risks for New Natural Gas Developments in Appalachia, issued March 23, was prepared for ORVI by the [Stockholm Environment Institute US](#) (SEI). Among key findings of the report are:

- The gas industry in the Appalachian region of Pennsylvania, Ohio, and West Virginia is vulnerable to sustained, low prices of domestic gas and natural gas liquids (NGL).
- Recent prices are not high enough to support widespread investments in gas and NGL infrastructure — including new gas fields, pipelines, and export terminals.
- Governments around the world, including the United States, have committed to deep decarbonization under the Paris Agreement. This suggests profound changes to oil and gas markets that would render new Appalachian gas fields unprofitable, on average.

The report is the first quantitative assessment of how Appalachia’s gas industry would fare in a low carbon future and is the most detailed publicly available analysis of the future prospects for natural gas development in the region. The authors analyzed 200 prospective gas projects in Pennsylvania, Ohio, and West Virginia.

The report’s lead author, Peter Erickson, a senior scientist and Climate Policy Program Director with SEI, stated:

“Our analysis shows that gas expansion in Appalachia is a risky investment. The calculations show that new gas developments face an array of serious financial risks that could render extraction from Marcellus gas fields unprofitable in the coming years.”

The report finds that a rapidly decarbonizing economy — a specific policy objective of the Biden Administration — would severely undermine the profitability of Appalachian gas development, resulting in reduced production. Lower gas production would in turn crimp the production of natural gas byproducts, like ethane, that serve as feedstocks for the region’s much-hyped petrochemical buildout, which is already facing stiff headwinds from competitor regions and an evolving market for consumer plastics.

Click [here](#) for a copy of the report.

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Senators Kaine and Warner voice concerns about MVP stream crossings

Virginia's two U.S. Senators, Tim Kaine and Mark Warner, have written Richard Glick, Chairman of the Federal Energy Regulatory Commission (FERC), to express concerns they have heard from constituents about confusion on recent filings with the agency by Mountain Valley Pipeline, LLC (MVP, LLC). [Their March 26 letter](#) asked that the comment period for the public to express their views to FERC be extended by at least 60 days.

The Senators also raised the issue of MVP, LLC's plans to bore underneath streams, stating:

The environmental impacts of the newly proposed trenchless technology, such as conventional direct bore, horizontal direct drilling (HDD), and "microtunnelling," are not yet fully understood by impacted parties in Virginia. Boring allows for work to occur up to and under the waterways, which could require blasting and excavation of bore pits required for drilling under water crossings. As groundwater is often the sole source for drinking water in rural communities, our constituents are concerned that the boring process could affect local watersheds and household access to water. Constituents have also expressed concern about impacts to endangered species and critical habitats that could result from boring. It is our understanding that the Commission will review these concerns through a supplemental environmental document under the National Environmental Policy Act. We urge the Commission to provide another public comment period after the environmental document is published, and that ample time is afforded for stakeholders to review and respond to that supplemental document.

Given the unfamiliarity of the proposed boring methods to our constituents, we understand there are many questions and concerns about how this process will impact their daily lives. A detailed environmental survey and a substantial comment period will bring additional transparency and public engagement to FERC's regulatory process.

Governor Northam signs bill for study of gold mining in Virginia

Virginia Governor Ralph Northam has signed into law a bill that would direct a study of gold mining in the Commonwealth. The issue arose last year when ABRA member Friends of Buckingham became aware that a Canadian mining company was considering the establishment of an open pit mine in Buckingham County to access a gold seam that extends all the way to Northern Virginia. (Click [here](#) for an earlier *ABRA Update* article on the story).

HB2213, sponsored by Delegate Elizabeth Guzman (D-31, representing portions of Fauquier and Prince William Counties) was signed into law on March 30 and will be effective July 1. The bill directs the Secretary of Natural Resources, the Secretary of Health and Human Resources, and the Secretary of Commerce and Trade to establish a work group to study the mining of gold in the Commonwealth. It requires that the study be conducted in consultation with the Virginia Council on Environmental Justice and appropriate stakeholders, including experts in mining, hydrology, toxicology, and other fields; environmental organizations; representatives of potentially affected communities in localities with significant deposits of gold; and residents of Native American communities in such localities.

The bill also provides that the work group shall evaluate the impacts of gold mining on public health, safety, and welfare; evaluate whether existing air and water quality regulations are sufficient to protect air and water quality from the mining and processing of gold; evaluate whether existing bonding, reclamation, closure, and long-term monitoring of sites for such mining or processing are sufficient; and report its findings to the General Assembly by December 1, 2022.

Click [here](#) for a copy of the Friends of Buckingham press release; click [here](#) for a copy of HB2213 as enacted.

Biden appoints EJ Advisory Council, including Tom Cormons of App Voices

The White House announced March 29 the membership of the new Council on Environmental Quality's Environmental Justice Advisory Council. Among the 26 appointees is Tom Corman, Executive Director of Appalachian Voices, an ABRA member. The Council will provide advice and recommendations to the Chair of the Council on Environmental Quality and the White House Environmental Justice Interagency Council on how to address current and historic environmental injustices. Click [here](#) for a copy of the White House announcement and [here](#) for additional information on the full list of appointees.

In the News:

Regional Issues

Stream crossings for Mountain Valley Pipeline become more complicated

- The Roanoke Times – 3/29/21

https://roanoke.com/business/local/stream-crossings-for-mountain-valley-pipeline-become-more-complicated/article_9147a754-90df-11eb-b752-37d47f95ae05.html

The Virginia Department of Environmental Quality recently informed federal officials that it could take nearly a year to issue a water quality certification needed as part of a renewed application for water body crossings.

City, County Support Shenandoah Mountain National Scenic Area Designation

- Daily News-Herald – 3/26/21

https://www.dnronline.com/news/local/city-county-support-shenandoah-mountain-national-scenic-area-resolution/article_d7ff233d-431e-5c26-b438-522a3682b128.html

Located in the George Washington National Forest, Shenandoah Mountain is home to one of the largest tracts of wild land left in the eastern United States, according to the Virginia Wilderness Committee.

Lawmakers must protect Virginians from the harms of gold mining

- Virginia Mercury – 3/25/21

<https://www.virginiamercury.com/2021/03/25/lawmakers-must-protect-virginians-from-the-harms-of-gold-mining/>

The industry may claim they will be responsible stewards, but without sufficient oversight and specific regulations, these are empty promises – promises that don't match up with gold mining's track record.

Bondurant: Why was press blocked from tree-sitter removal?

- The Roanoke Times – 3/27/21

https://roanoke.com/opinion/columnists/bondurant-why-was-press-blocked-from-tree-sitter-removal/article_d94eec0c-8d96-11eb-93de-b77367a1e103.html

For protection of all the other rights, privileges and duties that matter to us in a democratic society, a strong, fully functioning and independent press is required. Protection of the presence, the pen and the voice of the press lies in the "First" of our Constitutional Amendments, for good reason.

FERC rejects bid to halt Mountain Valley construction

- E&E Energywire – 3/25/21

<https://www.abralliance.org/wp-content/uploads/2021/03/FERC-rejects-bid-to-halt-Mountain-Valley-construction-EE-Energywire-3-25-21.pdf>

FERC's Democrats dissent, saying construction without all permits is an unreasonable interpretation of certification. Republicans say 'the developer had valid permits at one point'.

Defense League lobbies for landowner easements

- Roanoke-Chowan News-Herald – 3/23/21

<https://www.roanoke-chowannewsheald.com/2021/03/23/defense-league-lobbies-for-landowner-easements/>

Blue Ridge Environmental Defense League has requested the Attorneys General of North Carolina and Virginia intervene on behalf of landowners who provided easements for the now cancelled Atlantic Coast Pipeline (ACP).

Appalachian Fracking Faces Financial Risks, Report Warns. Hopes for Petrochemical Plastics Boom ‘Unlikely.’

- DeSmog – 3/26/21

<https://www.desmogblog.com/2021/03/26/appalachian-shale-gas-fracking-petrochemicals-financial-risks-report-warns>

Shale industry, business groups, regional politicians face disappointment. Living things in the region face less additional pollution.

W.Va. joins 21-state coalition in suit against Keystone XL cancellation

- Bluefield Daily Telegraph – 3/19/21

https://www.bdtonline.com/news/local_news/w-va-joins-21-state-coalition-in-suit-against-keystone-xl-cancellation/article_b1d2cf9a-76c0-5f79-99e8-cbc922cbbc78.html

Big Picture:

Biden’s Big Bet: Tackling Climate Change Will Create Jobs, Not Kill Them

- The New York Time – 3/31/21

<https://www.nytimes.com/2021/03/31/climate/biden-climate-jobs.html?>

Related:

- <https://www.naturalgasintel.com/biden-looking-to-overhaul-nations-power-grid-transit-systems-in-historic-infrastructure-plan/>

FERC makes major shift on pipeline CO2 emissions

- E&E Energywire – 3/19/21

<https://www.abralliance.org/wp-content/uploads/2021/03/FERC-makes-major-shift-on-pipeline-CO2-emissions-EE-Energywire-3-19-21.pdf>

Related:

- <https://www.nrdc.org/experts/gillian-giannetti/ferc-takes-step-forward-environmental-impacts>

World Bank plans climate shift but no fossil fuel halt: Report

- Al Jazeera – 4/1/21

<https://www.aljazeera.com/economy/2021/4/1/world-bank-plans-climate-shift-but-no-fossil-fuel-halt-report>

A revised World Bank policy on climate change commits to making financing decisions in line with efforts to limit global warming but stops short of promising to halt the funding of fossil fuels.

Big banks’ trillion-dollar finance for fossil fuels ‘shocking’, says report

- The Guardian – 3/24/21

<https://www.theguardian.com/environment/2021/mar/24/big-banks-trillion-dollar-finance-for-fossil-fuels-shocking-says-report>

Is it really, though? Until fossil fuel projects become too risky to justify to shareholders, banks will keep doing what they do...look for profit.

74% of economists favor 'drastic action' on climate —survey

- E&E News – 3/30/21

<https://www.abralliance.org/wp-content/uploads/2021/03/74-of-economists-favor-drastic-action-on-climate-EE-Climatewire-3-30-21.pdf>

Biden announces environmental justice advisers

- E&E Greenwire – 3/29/21

<https://www.abralliance.org/wp-content/uploads/2021/03/Biden-announces-environmental-justice-advisers-EE-Greenwire-3-29-21-1.pdf>

The ‘Green Energy’ That Might Be Ruining the Planet

- Politico – 3/26/21

<https://www.politico.com/news/magazine/2021/03/26/biomass-carbon-climate-politics-477620>

The biomass industry is warming up the South's economy, but many experts worry it's doing the same to the climate. Will the Biden Administration embrace it, or cut it loose?

Orsted to link a huge offshore wind farm to ‘renewable’ hydrogen production

- CNBC – 4/1/21

<https://www.cnbc.com/2021/04/01/orsted-to-link-huge-offshore-wind-farm-to-hydrogen-production.html>

A flash in the pan a few years ago, many suspect hydrogen is now ready for the “long burn” as part of the energy transition.

America’s Offshore Wind–Powered Future Begins in a Texas Shipyard

- Texas Monthly – May 2021

<https://www.texasmonthly.com/news-politics/offshore-wind-power-brownsville-shipyard-renewable-energy/>

Oil and gas companies and workers are carving out a skilled and well-paid place for themselves, building the machinery of the clean energy revolution.