



rethink energy Investments

Exploring Investment Risks of Fossil Fuel Infrastructure

Examining the risks of new pipeline proposals in New Jersey a battleground state for companies seeking to market gas from the Marcellus Shale in Pennsylvania.

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About This Newsletter

John Dizard recently wrote in *Financial Times*: “There is a lot of evidence that pipeline companies have been underestimating the difficulty of planning and construction in the northeast, which is a lot more densely populated and litigious than energy-friendly places such as Texas, Oklahoma and Louisiana.”

We agree.

This newsletter looks at the risks facing new pipeline proposals in New Jersey, which is a battleground state for companies seeking to bring to market natural gas from the Marcellus Shale play in Pennsylvania.

NJ Division of Rate Counsel Blasts PennEast Pipeline

The NJ Rate Counsel commented multiple times to FERC indicating that the project is not needed and would be an unfair burden on consumers.

- After detailed analysis, Rate Counsel report states: “PennEast has failed to demonstrate that the project is in fact needed”
- Excessive return would be “unfair to consumers”
- We believe that this spells uncertainty for future NJ BPU approval of cost recovery

- NJ Rate Counsel Rebuttal of PennEast response: *“if you build it, they will come” makes for a wonderful movie plot, it cannot be the basis for building an enormously expensive greenfield pipeline*

Full Report -Rate Counsel Answer to PennEast

Heightened Regulatory Risk: FERC Announces Second Delay for PennEast Pipeline, More Delays Possible

- **FERC announced a second delay** in its schedule for reviewing the proposed PennEast pipeline. The date for issuance of the final environmental impact statement was postponed to February 17, 2017 from December 16, 2016.
- **On November 7, FERC sent PennEast a substantial request** for 46 sets of new data and ordered 34 corrections to the application, including addressing many significant concerns raised by federal and state agencies with jurisdiction over the project. PennEast was given twenty days to respond and did not fully address all requests.
- **FERC opened an additional 30-day comment window** from November 4th to December 5th, 2016 for residents to comment on the route changes PennEast filed September 23rd. Hundreds of additional comments were submitted identifying problems with the proposed route changes.

Feds Push Back Review of PennEast Pipeline

- **Opposition is intensifying to natural gas pipelines** in the Northeast, as was demonstrated by the more than 3,200 comments to FERC on the draft environmental impact study for the PennEast pipeline project.
- **Strong criticisms of PennEast pipeline** have been raised by numerous state and federal agencies, including NJ Department of Environmental Protection (NJDEP), U.S. Fish & Wildlife Service and EPA.

New Jersey Agencies Add Their Voices to PennEast Protest

- **The Delaware River Basin Commission** will begin their independent review in 2017. NJDEP has repeatedly outlined numerous missing data and analyses that will be necessary before they will even consider permit applications.

Other Energy Infrastructure Projects Facing Strong Opposition in New Jersey

- **Garden State Expansion (GSE):** Unprecedented opposition to GSE's requested Section 404 Wetlands permit from NJ Department of Environmental Protection.

- **Hundreds of residents packed a Bordentown meeting** to [voice their concerns](#) regarding GSE's proposed compressor station they say would be too close to homes and schools.
- [Feds tell Williams not to proceed on GSE](#) without NJDEP permits
- **FERC:** *“Without a 401 Water Quality Certificate, as mandated though the federal Clean Water Act, and a 404 Permit from the NJDEP, nothing other than minor work on existing infrastructure would be allowed.”*

Size and Financial Strength of Opposition Grows

[“PennEast Pipeline Opposition Hardens...”](#)

The Trentonian reported that **environmental groups** and local governments rallying in opposition against the PennEast pipeline say the project would “cause more harm than good” and underscored the uncertainty and risk of the project moving forward.

[“Pipeline Purgatory the Goal as Activists Take Fight Local” – Bloomberg News](#)

The lead paragraph of Meenal Vamburkar’s and Jennifer Dlouhy’s recent article indicates that Donald Trump’s election as president “may be somewhat besides the point” for fossil fuel foes fighting a new generation of U.S. pipelines.

- **Heavily involved in opposing the PennEast pipeline are:** New Jersey Conservation Foundation, ReThink Energy NJ, Stony Brook Millstone Watershed Association, Columbia University Environmental Law Clinic, Eastern Environmental Law Center, Delaware Riverkeeper Network, NJ Sierra Club, and HALT PennEast.
- **Thousands of pages of briefs, expert reports, testimony and narratives** filed with FERC, NJDEP and other agencies.
- **The NGOs have:**
 - Large numbers of members
 - Strong grassroots support committed to a long fight
 - Unprecedented organization and effectiveness
 - Significant budgets dedicated to fighting PennEast and other pipelines
 - Legal expertise and capacity to mount challenges in multiple arenas

About

ReThink Energy Investments is a publication of ReThink Energy NJ. The newsletter looks at the risks facing new pipeline proposals in New Jersey, a battleground state for companies seeking to bring to market natural gas from the Marcellus Shale.

ReThink Energy NJ empowers New Jersey citizens by informing them about the need for reduced use of fossil fuels and pipelines that threaten our state's preserved lands,

water, environment, public health, and communities. Our goal is a swift transition to efficient, clean and renewable energy.

ReThink Energy NJ is supported by New Jersey Conservation Foundation, Stony Brook-Millstone Watershed Association and Pinelands Preservation Alliance.

For more information, visit rethinkenergynj.org and find ReThink Energy NJ on [Facebook](#) and Twitter [@rethinkenergynj](#).

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