



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.

July 2017

NJDEP Deals PennEast a Major Setback

The PennEast pipeline project was dealt another significant setback. On June 28, 2017 the New Jersey Department of Environmental Protection (NJDEP) administratively closed the company's application for key permits and rejected PennEast's request for an extension on its deadline for fixing the deficiencies in its application, leaving great uncertainty regarding whether and when PennEast will be able to make headway in NJDEP's regulatory process. NJDEP noted that PennEast has completed surveys for less than 40% of the proposed route in New Jersey. Find [NJDEP's letter to PennEast here](#).

In late April, NJDEP gave PennEast 30 days to fix its application for a water-quality permit. NJDEP said it would deem the application canceled if it did not receive the information within 60 days.

PennEast was seeking two key approvals from NJDEP: a Freshwater Wetlands Individual Permit and a Water Quality Certificate.

NJDEP said the company did not secure necessary approvals from most landowners, much less submit the necessary survey data or analyses of adverse impacts to environmental resources.

³Holding PennEast to the letter of the law helps protect our water, land, and communities from the dangers of a pipeline whose owners just want to rush this project through,² said Jim Waltman, executive director, Stony Brook-Millstone Watershed

Association. ³We appreciate that NJDEP will continue to hold PennEast accountable to the requirements of the applicable laws and regulations.²

³NJDEP repeatedly warned PennEast not to apply for permits before doing all of its legally-required homework,² said Tom Gilbert, campaign director for ReThink Energy NJ and New Jersey Conservation Foundation.

Opponents contend that by declining PennEast's illegal permit applications, NJDEP took an important step to protect exceptional New Jersey resources from what they refer to as ³an ill-conceived pipeline.²

"DEP made it clear that FERC's shoddy environmental review process does not replace NJDEP's obligation to enforce its own laws,² said Jennifer Danis, senior staff attorney at Eastern Environmental Law Center.

Energy CEOs Threaten to Pull Investments in Pipeline Projects

Adding to the risk and uncertainty of the proposed PennEast pipeline, energy CEOs have sent a stern warning to the quorum-less Federal Energy Regulation Commission (FERC), saying that if the Commission is not functional by August, they could withdraw private investment dollars for as many as 15 energy infrastructure projects valued at \$15B-\$25B," including PennEast, according to [CNBC](#) and [Seeking Alpha](#).

FERC has been without a quorum since February, which has delayed its ability to make a final decision on several pending pipeline projects, including PennEast. President Trump has made several nominations to FERC but it is highly uncertain when the Senate might confirm those nominees, with a recess in August looming on the horizon. With delays in securing FERC approval, and the recent set-back with NJDEP, PennEast's projected in-service date of the second half of 2018 is highly dubious.

Trump Energy Policies Galvanize State and Local Fervor on U.S. Climate Policy

The Trump administration's 180-degree change in direction on [U.S. climate policy](#) seems to have "galvanized state and local level fervor for energy efficiency," according to ENERNOC's ³energysmart² blog.

State and local governments are increasingly signaling their intentions to take leadership on addressing climate change and moving to clean energy. With an election looming in New Jersey, both candidates for governor have signaled their support for more renewable energy, including offshore wind. This creates heightened uncertainty for fossil fuel projects like PennEast.

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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