

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Algonquin Gas Transmission,
LLC
Algonquin Incremental Market Project

Docket No. CP14-96-000
PF13-16-000

**MOTION TO INTERVENE OF FOOD & WATER WATCH, STOP THE
ALGONQUIN PIPELINE EXPANSION, THE SIERRA CLUB, LOWER HUDSON
GROUP, BETTER FUTURE PROJECT, CAPITALISM V. CLIMATE, FOSSIL
FREE RHODE ISLAND**

On March 18, 2014, the Federal Energy Regulatory Commission (“FERC”) issued a notice of application under § 7 of the Natural Gas Act, 15 U.S.C. § 717f, and § 157 of FERC’s regulations, 18 C.F.R. § 157.1 et seq., for the proposed Algonquin Incremental Market Project (“Project”), FERC Docket No. CP14-96-000. As stated in FERC’s notice of application, Algonquin Gas Transmission LLC (“Algonquin”) seeks, among other things, authorization to construct up to 42-inch diameter pipelines and all appurtenant facilities as well as stations in New York, Connecticut, Rhode Island and Massachusetts. In accordance with Rule 214 of FERC’s Rules of Practice and Procedure, 18 C.F.R. § 385.214, Food & Water Watch, Stop The Algonquin Pipeline Expansion and the Sierra Club, Lower Hudson Group (“Intervenors”) respectfully move for the Commission to grant intervention in the above-captioned matter. While Intervenors have included some substantive comments in this motion, Intervenors may also submit more substantive comments at a later date.

I. COMMUNICATION AND CORRESPONDENCE

Service in this proceeding should be made upon, and communications should be directed to the following persons:

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II. INTERVENORS

Food & Water Watch is an international non-profit organization that works to ensure that the food, water, and fish that humans consume is safe, accessible, and sustainable. To that end, Food & Water Watch promotes policies that will maintain the environmental integrity of our drinking water supplies, rather than put them at risk of degradation. Food & Water Watch has nearly 144,000 supporters in the four states where the Project is proposed, including in Fairfield, Hartford, Middlesex, New Haven and New London counties, Connecticut: 12,000 supporters, in Putnam, Rockland and Westchester counties, New York: 7,300 supporters, in Suffolk and Bristol counties, Massachusetts: 4,400 supporters and in Providence County, Rhode Island: 1,900 supporters.

Sierra Club is a non-profit organization founded by legendary conservationist John Muir in 1892. It is now the nation's largest and most influential grassroots environmental organization with 64 chapters and approximately 2 million members and supporters nationwide. The Sierra Club's Lower Hudson Group has approximately 4,000 members in Rockland, Westchester, and Putnam counties.

Stop The Algonquin Pipeline Expansion is a grassroots group of approximately 30 members in Westchester, Putnam and Rockland counties, who also work in coalition with Connecticut, Rhode Island and Massachusetts groups to oppose the Project. An online petition initiated by SAPE opposing the Project has nearly 20,000 signatures.

Better Future Project is a Cambridge-based non-profit that seeks to build a grassroots movement to rapidly shift society beyond coal, oil and gas by coordinating programs like 350 Massachusetts, Climate Summer and Mothers Out Front. The group is composed of approximately 7,000 members.

Capitalism vs. the Climate organizes non-hierarchically and takes direct action in solidarity with communities most impacted by the climate crisis. We're members of Rising Tide North America. We started in 2012 in Connecticut, and our membership consists of 17 volunteers and supporters.

Fossil Free Rhode Island spurs real action on runaway climate change, which poses a mortal threat to the biosphere of which the human species is a part. We seek to redress inequitable distribution of environmental burdens of both local and global impact by opposing extreme energy projects such as the Keystone XL Pipeline, fracking, and mountaintop removal mining. We believe that all institutions that serve the public good should divest from fossil fuels. The group consists of about 30 members.

III. GROUNDS FOR INTERVENTION

The Intervenors are extremely concerned about Algonquin's application. Members of these organizations and the constituents they serve live in the areas that will be directly impacted by the Project. The pipeline and its associated facilities will cut through four

states, under the Hudson River, near an active quarry in the City of Boston, and through a number of sensitive watersheds and public lands. Intervenors raise environmental, public health, and safety concerns on behalf of their members along the Project right of way, in the impacted communities, and across the proposed route.

No Need For the Project

As a threshold matter, Intervenors question the necessity of the Project. We are concerned that as domestic natural gas demand and prices remain low, the expanded capacity requested under this Project will be used to supply gas from the Marcellus Shale to proposed export facilities. The communities and our members impacted by this proposed pipeline infrastructure will not see environmental or economic benefits as a result of the Project. “Specifically, the Project will create additional pipeline capacity from the Ramapo, New York receipt point on Algonquin’s system to various Algonquin city gate delivery points in Connecticut, Rhode Island, and Massachusetts.”¹ (Docket CP14-96, Spectra Resource Report 9, p. 9-1).

Environmental Impacts Resulting from Fracking

This pipeline will carry gas from the Marcellus Shale, drilled using the technique known as hydraulic fracturing (“fracking”). The Project is designed to provide gas produced from the Marcellus Shale to New England markets. At a time when there is mounting evidence of the dangers inherent to fracking for natural gas, and given that the long-term productivities of Marcellus Shale gas wells are unknown, it is unwise to approve a proposal that will encourage such a practice in fragile ecosystems and populated areas. FERC must examine in its review of the proposed pipeline all secondary and cumulative impacts the Project will have, including encouraging the expansion of fracking in the region.

Connection to Existing or Potential LNG Ports

Algonquin’s application states that the Project is being proposed to deliver gas to markets in New England; however, the proposed Project is both a product of development in the Marcellus Shale and a likely catalyst for further gas development by providing an avenue to export that gas to the international market. “The Algonquin natural gas transmission system connects with Texas Eastern’s facilities in New Jersey and extends approximately 250 miles through New Jersey, New York, Connecticut, Rhode Island and Massachusetts where it connects to Maritimes & Northeast (“M&N”) Pipeline.”² According to Spectra Energy Partners LP’s 10K report filed with the US Securities and Exchange Commission

¹ Docket CP14-96, Algonquin Resource Report 9, p. 9-1

² Form 10K, Spectra Energy Partners LP, http://www.spectraenergypartners.com/content/documents/Spectra_Energy_Partners_Documents/SEP_2013_10-K.pdf, p. 7.

for 2013, “M&N US is connected to the Canadian portion of the Maritimes & Northeast Pipeline Limited Partnership, which is owned 78% by Spectra Energy.”³ The AIM expansion project suggests that the gas may be exported to Canada and overseas.

The Project has the potential to make gas available for transport to LNG export facilities on the East Coast and in Canada.

Three LNG facilities: the Northeast Gateway Deepwater Port and the Neptune Deepwater Port, both off of Gloucester, Massachusetts, and the Distrigas terminal in Boston Harbor are idle for lack of LNG import activity; these facilities could potentially be converted to export facilities.⁴ The “Canaport” LNG facility in New Brunswick, Canada has been given permission to export gas via tanker as of November, 2013.⁵ Pieridae Energy Canada is looking to site an LNG export facility in Nova Scotia.⁶

Exporting Gas Hurts National Economy, Not in Public Interest

The Energy Information Administration (“EIA”) predicts the US will be a net exporter of Liquefied Natural Gas (“LNG”) by 2016. The U.S. Department of Energy (“DOE”) is currently reviewing applications for LNG export authorization. If all were approved this would lead to an export capacity of over 28 billion cubic feet (“Bcf”) per day,

approximately 42 percent of what the U.S. produced daily in 2013.⁷ The EIA predicts that an average of 63 percent of exported LNG will come from new gas drilling, but this could rise to 71 percent by 2035.⁸

An EIA study found considerable impacts from LNG exports, and researchers at Purdue University and other institutions have confirmed the EIA findings. Impacts that do not make this Project in the public convenience and necessity include:

³ Ibid., p.9.

⁴ Fitzgerald, Jay, “2 Costly LNG Terminals Sit Idle: Need Vanishes for Fuel Imports,” <http://www.bostonglobe.com/business/2013/01/23/offshore-gas-terminals-mass-bust-far/Qu8dyZzF6yBNAsDNaTT1ZJ/story.html>

⁵ CBC News, “Canaport LNG given permission to export via tankers,” <http://www.cbc.ca/news/canada/new-brunswick/canaport-lng-given-permission-to-export-via-tankers-1.2441102>

⁶ Bertrand Marotte, “In race to export LNG, a new Atlantic plan,” <http://www.theglobeandmail.com/report-on-business/industry-news/energy-and-resources/in-race-to-export-lng-a-new-atlantic-plan/article4634129/>

⁷ Jacobson, Brad. “Fracking’s coming boom”. *Salon*. Apr 24 2012. http://www.salon.com/2013/04/24/frackings_coming_boom_partner/ and US EIA Production Lookback 2013 <http://www.eia.gov/naturalgas/issuesandtrends/production/2013/>

⁸ Mantius, Peter. “Obama Administration Said No to Full Environmental Study of LNG Exports”. *DC Bureau*. Apr 22 2013. <http://www.dcbureau.org/201304228396/natural-resources-news-service/obama-administration-says-no-to-full-environmental-study-of-lng-exports.html>

- slightly depressed Gross Domestic Product (“GDP”): “Using the natural gas in the U.S. is more advantageous than exports, both economically and environmentally,”
- increased domestic price of natural gas—as much as 47%,
- higher electricity rates— as much as 7.2%
- increase in greenhouse gas emissions by as much as 12%,
- decreases in the manufacturing sector as much as 3.1%,
- fracking boom in shale formations,
- major U.S. wealth transfer from consumers and energy-dependent industries to the natural gas industry and its investors⁹

Connection to Other Existing or Potential LNG Ports

It is also likely that New York will change its current policy, dating back to 1999, of forbidding LNG fueling stations within the state. Its Department of Environmental Conservation (“NYDEC”) recently proposed regulations permitting construction of LNG fueling stations within New York. It is therefore anticipated that New York will permit LNG fueling stations and interstate (but not intrastate) transportation of LNG, increasing the concentration of LNG facilities in the area.¹⁰

Expanding the infrastructure to carry natural gas to export facilities is not in the best interest of the American people. As this Project will potentially allow Algonquin to transport more gas to proposed export facilities, the environmental, economic, and public health and safety impacts of exporting US natural gas must be included as a cumulative impact of this Project in the National Environmental Policy Act (“NEPA”) review.

Hudson Crossing Near Indian Point Nuclear Plant and Earthquake Fault Lines

The Project includes the addition of a 42” diameter, high-pressure gas pipeline to the three already existing pipelines that cross under the Hudson River from Rockland County to Westchester County. The new pipeline may intersect underground with proposed high voltage power lines in close proximity to the Indian Point nuclear power plant’s 40 years

⁹ Tyner, Wallace and Kemal Sarica. Economic and Environmental Impacts of Increased US Natural Gas Exports. Global Policy Research Institute, Purdue University. May 20 2013. <http://docs.lib.purdue.edu/cgi/viewcontent.cgi?article=1009&context=cwc>

¹⁰ Steven C. Russo, “New York Proposes to Green Light LNG Fueling Stations,” Lexology.com September 18, 2013.

of spent nuclear fuel rods and the Ramapo and Stamford earthquake fault lines.

Although Algonquin proposes “horizontal directional drills of 0.7 miles crossing the Hudson River,” should they encounter problems with that type of drilling, they may revert to more environmentally damaging dredging of the Hudson.¹¹

Proximity to Active Quarry in Boston

Residents of West Roxbury have raised concerns about the proximity of the Project to an active quarry, the West Roxbury Crushed Stone Company. Property owners adjacent to the quarry are already dealing with damage from routine blasting and facing potential soil contamination from proposed containment ponds.¹² The West Roxbury Civic and Improvement Association also raised concerns about the lack of public hearings or permitting before the purchase of four acres for a new metering and regulating station.

Methane Leakage and Impact on Climate Change

Residents along the AIM project’s route are concerned about fugitive methane emissions from the pipeline, compressor stations, and metering and regulating stations. There are documented problems with valves that Spectra energy uses in gas infrastructure projects. The Pipeline Hazardous Materials Safety Administration (PHMSA) issued Spectra Energy CEO Greg Ebel a ‘final order’ and civil penalty of \$134,500 related to various violations across several states.¹³ Issued in this order, the company was cited for failure regarding valve inspection.

“Trillium Asset Management, with over \$1 billion in assets under management, has filed a shareholder resolution requesting a report from Spectra Energy’s Board of Directors on its fugitive methane emissions.¹⁴

¹¹ Application, Vol. 1, p. 7, 2/28/14: 201402285269 (291651971).pdf

¹² Matt Robare, “Residents, Politicians Concerned Over Quarry Plans,” <http://www.wickedlocal.com/x1304804017/Residents-politicians-concerned-over-quarry-plans>, “Residents concerned over gas pipeline through West Roxbury, Westwood,” <http://www.wickedlocal.com/article/20131223/NEWS/312239658>

¹³ PHMSA Final Order, 12/21/12: http://www.phmsa.dot.gov/staticfiles/PHMSA/DownloadableFiles/420121009_Final%20Order_12212012.pdf

¹⁴ Trillium Asset Management, “Fugitive Methane Emission Report,: Spectra Energy 2013, “<http://www.trilliuminvest.com/resolutions/fugitive-methane-emissions-report-spectra-energy-2013/>

Methane emissions from shale gas infrastructure projects are recognized as a significant contributor to climate change.¹⁵ Methane 86 times more powerful than CO₂ as a greenhouse gas over 20 years.¹⁶ Therefore, shale gas infrastructure with methane leakage of up to 9% is undermining efforts to slow climate change.¹⁷

Inadequate Oversight

Regulation of pipeline safety is not only severely fragmented among dozens of federal, state, and local agencies, but is severely under-resourced in terms of personnel and funding. When regulators are incapable of coping with the existing hazards and damage to water safety and quality, it is extremely unwise to tolerate additional hazardous activities.

There have been a number of pipeline disasters in the current decade alone. A 2010 natural gas line explosion in San Bruno, California killed eight people and damaged or destroyed dozens of homes. Also in 2010, a pipeline oil spill caused more than \$1 billion in damage to the Kalamazoo River.

Jeffrey Wiese, the leading official in oil and gas pipeline safety, admitted to a convention of compliance officers that his agency, the Pipeline and Hazardous Materials Administration (“PHMSA”), has limited enforcement power over safety rules.¹⁸ The PHMSA’s budget for pipeline safety has not increased for the past three years, although thousands of miles of new pipeline have been built. The Obama administration sought additional funding for pipeline safety enforcement, but Congress has refused to provide it pursuant to the sequester. According to Wiese, it is no longer “viable” to use the regulatory process to respond to dangerous conditions, because it takes too long. California Congress member Jackie Speier said that “The [energy] industry has a lock on PHMSA” and on Congress, causing public interests to be “dramatically watered down”—for example, the oil and gas industry has prevented the institution of requirements of remote shutoff valves for pipelines.¹⁹

Many hazardous materials are carried in pipelines, and over half of the pipeline now in

¹⁵ Intergovernmental Panel on Climate Change, “Climate Change 2013, Summary for Policymakers,” https://www.ipcc.ch/report/ar5/wg1/docs/WGIAR5_SPM_brochure_en.pdf

¹⁶ PHMSA Final Order, 12/21/12: http://www.phmsa.dot.gov/staticfiles/PHMSA/DownloadableFiles/420121009_Final%20Order_12212012.pdf

¹⁷ Jeff Tollefson, “Methane Leaks Erode Green Credentials of Natural Gas,” 1/2/13, <http://www.nature.com/news/methane-leaks-erode-green-credentials-of-natural-gas-1.12123>

¹⁸ Stern, Marcus and Sebastian Jones. “Exclusive: Pipeline Safety Chief Says His Regulatory Process Is ‘Kind of Dying’”. InsideClimate News. Sep 11, 2013. <http://insideclimatenews.org/news/20130911/exclusive-pipeline-safety-chief-says-his-regulatory-process-kind-dying>

¹⁹ *Ibid.*

service has been in use for three or four decades, making it likely that at least some areas are affected by corrosion and other sources of failure. Yet, PHMSA has only 135 inspectors, and there are 2.6 million miles of pipeline already in service. Since 2006, PHMSA and cooperating state agencies have inspected only one-fifth of the existing pipeline capacity.

Although Congress increased the maximum fines in 2011, Wiese said that a \$2 million civil penalty is irrelevant to a major multinational corporation, and does not deter industry practices that could lead to major accidents. Strengthening regulation is difficult: adoption of a new pipeline rule can take as long as three years. Wiese announced that PHMSA is setting up a YouTube channel to persuade industry to voluntarily adopt better safety practices. However, American Petroleum Institute spokesman Brian Straessle said that the pipeline infrastructure is protected by “strong standards in place,” and that the industry has financial incentives to prevent incidents and protect the environment.

Approving the AIM project would merely add additional potential hazards while the overburdened PHMSA is already struggling to protect public safety.

Health Risks Related to Air Emissions

Residents throughout the entire region will be impacted by air emissions from the infrastructure related to the AIM Project. The application states “Algonquin will modify six existing Algonquin compressor stations to add an additional 81,620 hp to its pipeline system as part of the AIM Project. This increase in horsepower will be achieved with the installation of six new compressor units.”²⁰

Air emissions from compressor stations include benzene, toluene, formaldehyde and many other chemicals. The existing emissions and the estimated increase in emissions is not clearly delineated in the application and some of the information about existing equipment is not available to the public. The compressor station expansions at Stony Point and Southeast, NY, Cromwell and Chaplin, CT and Burrillville, RI are sited in regions currently considered non-attainment areas for a variety of emissions. The section about the Oxford, CT compressor station seems to be omitted from the application. Residents along the route of the AIM Project have serious concerns about the increased emissions associated with the expansion and resulting health impacts.

Health impacts associated with compressor station emissions include nosebleeds, visual impairment, neurological and respiratory problem, leukemia, aplastic anemia, lung, liver, kidney and cardiovascular disease. Children, pregnant women, elderly and health-

²⁰ Spectra Energy Resource Report 9, p.9-2

compromised populations are particularly vulnerable.²¹

Cumulative impacts of the entire proposal should be assessed and a formal Health Impact Assessment (HIA), as outlined by the Centers for Disease Control, should be conducted and included in the Environmental Impact Statement. Baseline testing of air emissions in regions surrounding the compressor stations should be conducted prior to permitting by the state agencies.

Sedimentation

Sedimentation, erosion, and potential contamination impacts to waterbodies and wetlands during construction will lower water quality. Additionally, severe compaction of the soil will reduce the ability for water to recharge groundwater supplies. Intervenors note that locating the Project on these lands will create a new conduit for water through the gravel surrounding the pipeline, altering the hydrologic pattern of the watershed lands. Water will run parallel with the new pipeline instead of recharging aquifers and river ecosystems, degrading the quality and quantity of water available to residents.

Environmental Impacts to Blue Mountain Park

County parkland in which significant environmental impacts of the Project are clear is the 1,538-acre Blue Mountain Reservation in Westchester County. Protection of the park is important both ecologically and economically to the area.

The serious degradation of ground and surface waters, publically owned lands, and forest habitats associated with this Project make it potentially dangerous and not in the public convenience and necessity.

IV. CONCLUSION

Intervenors have considerable interest and are invested in protecting the environmental and public health of the areas in which the pipeline is proposed to be built. Intervenor's intervention in the Project application process is in the public interest as required by 18 C.F.R. §385.214(b)(2)(iii). No other party in this proceeding will be able to adequately protect these interests. Accordingly, Intervenors have a direct and substantial interest in the outcome of this application process.

For the reasons set forth above, the Intervenors respectfully request that this Motion to Intervene be granted and that they be permitted to participate, with the full rights of a party, in the above-captioned proceeding before FERC.

Respectfully Submitted,

²¹ Wilma Subra, Power Point presentation, 12/11/14: http://sape2016.files.wordpress.com/2013/10/algonquin_incremental_market_project.pdf

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