

**RECEIVED**

*By Docket Room at 4:25 pm, Feb 09, 2015*

UNITED STATES OF AMERICA  
BEFORE THE  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

---

Pieridae Energy (USA) Ltd.

FE Docket # 14-179-LNG

---

**MOTION TO INTERVENE OF FOOD & WATER WATCH AND REQUEST  
FOR EXTENSION OF DEADLINE  
FOR STAKEHOLDERS TO COMMENT AND INTERVENE**

On December 10, 2014, the Department of Energy Office of Fossil Energy (“DOE/FE”) issued a notice of application under 10 C.F.R. §§ 590.303 and 590.304 For the proposed Pieridae Energy (USA) Ltd (“Pieridae”) Application for Long-Term, Multi-Contract Authorization to Export Natural Gas into Canada for Consumption and through Canada to Free Trade and Non-Free Trade Agreement Nations after Conversion into LNG (“Application”), FE Docket No. 14-179-LNG. As stated in their Application, Pieridae is seeking a long-term multi-contract authorization to export domestically produced liquefied natural gas (“LNG”) up to the equivalent of 292 billion cubic feet (“Bcf”) of natural gas per year to non-Free Trade Agreement (“nonFTA”) countries, via export into Canada via pipeline and re-exporting some or all of that gas as LNG from a proposed terminal in Goldboro, Nova Scotia. Food & Water Watch (“Intervenors”) respectfully move for the Department 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. Intervenors also request an extension of the deadline for comment and intervention in the above-captioned docket.

**I. COMMUNICATION AND CORRESPONDENCE**

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

Alex Beauchamp, Northeast Region Director  
Food & Water Watch  
68 Jay Street, Suite 713  
Brooklyn, New York 11201  
713 943-9085  
abeauchamp@fwwatch.org

Nisha Swinton, Senior Organizer, New England States  
Food & Water Watch

533 Congress Street  
Portland, Maine 04101  
207 619-5845  
nswinton@fwwatch.org

## **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 over 5,000 supporters in Maine and nearly 145,000 in the states where Spectra Energy's Algonquin Incremental Market ("AIM", Atlantic Bridge and Access Northeast expansion projects and Kinder Morgan's Northeast Direct ("NED") are proposed, all referenced in Pieridae's application (Appendix E).

## **III. GROUNDS FOR INTERVENTION**

The Intervenor's oppose Pieridae's proposal and are extremely concerned about the pipeline expansion projects that would be necessitated should DOE/FE approve the application. Supporters of our organization live in the areas that will be directly impacted by the pipeline expansion projects. Intervenor's raise environmental, public health, and safety concerns on behalf of their members along the Projects rights of way, in the impacted communities, and across the proposed pipeline expansion routes.

### **No Need For the Project**

As a threshold matter, Intervenor's question the necessity of the Application. We are concerned that as domestic natural gas demand and prices remain low, the expanded capacity requested under this Application 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 Application.

### **Environmental Impacts Resulting from Fracking**

The pipeline expansion projects necessitated by this Application will carry gas from the Marcellus Shale, drilled using the technique known as hydraulic fracturing ("fracking"). 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. DOE/FE must examine in its review of the Application all secondary and cumulative impacts the Application will have, including encouraging the expansion of fracking and creation of gas infrastructure in the Northeast. The Application is 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.”<sup>1</sup> According to Spectra Energy Partners LP’s 10K report filed with the US Securities and Exchange Commission 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.”<sup>2</sup>

Pieridae's Application must acknowledge the potential source of natural gas, and in doing so it must also acknowledge the potential environmental impact of a new greenfield pipeline project like NED. The NED project would create new and expanded rights of way that would impinge upon the rights of hundreds of homeowners and landowners to enjoy their properties. It would cross conservation lands and forests, the water supplies of numerous towns across Massachusetts, and it would endanger the safety of residents due to the crossing of many highly developed towns where a future pipeline incident could prove catastrophic.

As pointed out by U.S. Senator Edward Markey last year, the total amount of natural gas approved by the U.S. DOE for export since May of 2011 already “has far exceeded the level that DOE’s own study said would increase domestic natural gas prices by more than 50 percent.” (See <http://www.markey.senate.gov/news/press-releases/markey-new-natural-gas-export-approval-crosses-cost-threshold-for-american-consumers-businesses>). Attached and incorporated into this Motion and Protest is a letter signed by 22 U.S. Senators calling on the DOE to consider the cumulative impacts of potential natural exports before granting authorizing such contracts as those contemplated in Pieridae's Application.

### **Exporting Gas Hurts National Economy, Not in Public Interest**

The Energy Information Administration (“EIA”) predicts the US will be a net exporter of LNG by 2016. If all application the DOE is reviewing 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.<sup>3</sup> 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.<sup>4</sup>

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 Application in the public convenience and necessity include:

---

<sup>1</sup> Form 10K, Spectra Energy Partners LP, [http://www.spectraenergypartners.com/content/documents/Spectra\\_Energy\\_Partners\\_Documents/SEP\\_2013\\_10-K.pdf](http://www.spectraenergypartners.com/content/documents/Spectra_Energy_Partners_Documents/SEP_2013_10-K.pdf), p. 7.

<sup>2</sup> Ibid., p.9.

<sup>3</sup> Jacobson, Brad. “Fracking’s coming boom”. *Salon*. Apr 24 2012. [http://www.salon.com/2013/04/24/frackings\\_coming\\_boom\\_partner/](http://www.salon.com/2013/04/24/frackings_coming_boom_partner/) US EIA Production Lookback 2013 <http://www.eia.gov/naturalgas/issuesandtrends/production/2013/>

<sup>4</sup> US EIA Production Lookback 2013 <http://www.eia.gov/naturalgas/issuesandtrends/production/2013/>

- 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 investors<sup>5</sup>

Expanding the infrastructure to carry natural gas to export facilities is not in the best interest of the American people. The environmental, economic, and public health and safety impacts of exporting US natural gas must be included as a cumulative impact of this Application.

### **Methane Leakage and Impact on Climate Change**

Residents along the AIM, NED and Atlantic Bridge projects’ routes 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.<sup>6</sup> Issued in this order, the company was cited for failure regarding valve inspection.

Methane emissions from shale gas infrastructure projects are recognized as a significant contributor to climate change. Methane is 87 times more powerful than CO<sub>2</sub> as a greenhouse gas over 20 years.<sup>7</sup> While burning shale gas instead of coal reduces CO<sub>2</sub> emissions, it increases methane emissions. Therefore, methane leakage from shale gas infrastructure — consistently underestimated by official inventorying based on industry-supplied data — is undermining efforts to slow climate change.<sup>8</sup>

<sup>5</sup> 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>

<sup>6</sup> PHMSA Final Order, 12/21/12:  
[http://www.phmsa.dot.gov/staticfiles/PHMSA/DownloadableFiles/420121009\\_Final%20Order\\_12212012.pdf](http://www.phmsa.dot.gov/staticfiles/PHMSA/DownloadableFiles/420121009_Final%20Order_12212012.pdf)

<sup>7</sup> Intergovernmental Panel on Climate Change, “Climate Change 2013, Summary for Policymakers,” [https://www.ipcc.ch/report/ar5/wg1/docs/WGIAR5\\_SPM\\_brochure\\_en.pdf](https://www.ipcc.ch/report/ar5/wg1/docs/WGIAR5_SPM_brochure_en.pdf)

<sup>8</sup> Hugh MacMillan, “The Urgent Case for A Ban” Food & Water Watch Brief, September 2014, p. 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.<sup>9</sup> 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.<sup>10</sup>

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

---

<sup>9</sup> 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>

<sup>10</sup> *Ibid.*

Approving Pieridae's Application 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, NED and Atlantic Bridge Projects. 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. Residents along the route of the AIM, NED and Atlantic Bridge Projects 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-compromised populations are particularly vulnerable.<sup>11</sup>

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 water bodies 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 Projects 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.

## **IV. CONCLUSION**

Intervenors have considerable interest and are invested in protecting the environmental and public health of the areas in which the Project is proposed to be built. 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.

---

<sup>11</sup> Wilma Subra, Power Point presentation, 12/11/14:

[http://sape2016.files.wordpress.com/2013/10/algonquin\\_incremental\\_market\\_project.pdf](http://sape2016.files.wordpress.com/2013/10/algonquin_incremental_market_project.pdf)

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 DOE/FE.

Respectfully Submitted,

Alex Beauchamp, Northeast Region Director  
Food & Water Watch  
68 Jay Street, Suite 713  
Brooklyn, New York 11201

Nisha Swinton, Senior Organizer, New England States  
Food & Water Watch  
533 Congress Street  
Portland, Maine 04101