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Subject: Fwd: FE Docket No. 14-179-LNG
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I am resending the comments sent earlier. The earlier comments had a hyperlink which has been removed.

Begin forwarded message:

From: [REDACTED] >
Subject: FE Docket No. 14-179-LNG
Date: February 9, 2015 at 4:04:25 PM EST
To: fergas@hq.doe.gov

Thank you for the opportunity to comment on Docket No. 14-179-LNG, Pieridae Energy's 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.

Expedited Review Request Must Be Denied

Pieridae request for expedited review must be denied. As indicated in the application, the March 15th date was requested only so that Pieridae could make an investment decision. DOE/FE has an obligation to protect the interests of the American people and should not feel forced to act quickly to meet the needs of a private company's project schedule. Pieridae could have filed this application much earlier. The application was submitted almost eight months after the company received its Nova Scotia Environmental Assessment Review Panel approval on March 3, 2014.

Application is Incomplete

The Department of Energy, Office of Fossil Energy, can not approve this application in its current form. Indeed, the application may well need to be denied because there is no capacity at the proposed Baileyville, Maine export location. Pieridae indicated as much on page 17 of its application, "the present capacity of these facilities is not sufficient to accommodate the full volume of exports for which Pieridae US is seeking authorization."

Contrary to the claims on page p. 26 of the application, this request is at the very least premature, if not frivolous. Pieridae did not identify the

sources and agreements as required by 10CFR Section 590.202(b)(2). As indicated previously, Pieridae has admitted there is not enough capacity at the Baileyville export location to meet those needs and that they do not have an agreement with Maritimes and Northeast Pipeline or any other US pipeline company to meet their needs. Why should DOE/FE spend its limited funds to review a project that may not even be viable?

NEPA Review is Needed

Much more information is needed to ensure the protection of the public interest of the United States and in particular, citizens of the New England region. DOE/FE must make the applicant complete the NEPA review process to ensure that the exports requested are not “inconsistent with the public interest” as required.

The .8 bcf/d of natural gas requested is a huge amount, accounting for more than 20% of the gas pipeline capacity of New England including the current capacity of the Maritime and Northeast Pipeline's southward flow from Canada into Maine. The .8 bcf/d is more than twice what has been projected to be needed to meet the moderate growth demands of the New England region through 2029. (In their August 2013 report to NESCOE, the organization representing the collective energy interests of the six New England states, Black & Veatch estimated that a daily average of 360 million more cubic feet per day of gas could be needed by 2029 to meet the demands of a moderate growth scenario.)

The project is not a categorical exclusion for NEPA, indeed it may well be a categorical inclusion. While Pieridae may not be constructing the proposed pipelines and compression facilities, it is clear that they intend to use much of the capacity in possible pipelines. There is no basis for the claim on p. 8-9 that “...no planned new pipeline or planned pipeline expansion will be implemented as a consequence of, or will be dependent upon, Pieridae's decision to take capacity on that pipeline or pipeline expansion.”

It does not appear that the Atlantic Bridge or the Access Northeast projects referred to in the application have filed yet with FERC. None of the proposed projects identified in Appendix E have received final approvals. Three of the five identified (Constitution, Niagara Expansion and Iroquois South to North Project) have terminal points in New York State and do not serve to address pipeline constraints in New England or the particular constraint for Pieridae at Bellyville, Maine, the proposed export location. According to the Final EIS for the Algonquin

Incremental Market project (the fourth project in Appendix E), it is already fully subscribed so there is no excess capacity for Pieridae . (“precedent agreements with the Project Shippers account for the entire Project capacity of 342,000 Dth/d.” p. 1-3)

The final project mentioned in Appendix E is the Kinder-Morgan Northeast Energy Direct project. This project is in the pre-filing process now ((FERC Docket No. PF14-22). Since our region first heard about this project a year ago, there has been much speculation that this huge project is being planned to serve export markets. It is six times larger than what New England is projected to need. While the Kinder Morgan application for pre-filing request to FERC may state that there “are no LNG facilities related to or proposed as part of the Project,” that claim was made almost six months ago and it is unclear whether it is still true. Indeed, when asked about export potential, Kinder Morgan has repeatedly said that as an open access pipeline and they can not discriminate. Here's how Kinder Morgan addresses export on their website FAQ's:

“... Under FERC’s regulations and policies, Tennessee cannot discriminate among customers based on the ultimate destination or use of the gas, such as the Northeast vs. Canada or another foreign country (via export of LNG). The ultimate destination of the gas and volumes associated is within the sole control of the project customers.

... There are currently four proposed LNG export projects in Atlantic Canada and one LNG export project in northern Maine that could find capacity on the NED Project useful to serve their proposed LNG export facilities. At this time, Tennessee has not executed any contracts with developers of proposed LNG export facilities.”

On Wednesday, February 4th, I learned at the Kinder Morgan Open House in Winchester, NH that Kinder Morgan still does not have enough confirmed capacity agreements for the Northeast Energy Direct Project. The Kinder Morgan representative indicated they were expecting more capacity agreements to be announced soon. Pieridae clearly needs capacity and has indicated they will contract through Open Season & other “permissible means” to get it (p.9). There is a circular argument here that needs to be addressed. Pieridae's claims on p.67 that they are not a “BUT FOR” cause are bogus.

The “BUT FOR” argument would apply to any possible future upgrades to the Maritime and Northeast pipeline in northern Maine as well. Pieridae makes clear that the Baileyville location is their choice and that they plan to contract for capacity.

...the development path for the border crossing and other pipeline facilities to be used by Pieridae US is well defined, it is appropriate for Pieridae US to file, and the DOE/FE to process, this Application in advance of Pieridae US formalizing its transportation arrangements on the M&N US Pipeline. Transportation on additional gas pipelines in the US will also be contracted for as necessary to reach sources of natural gas supply in the US. (Application, p.18-19)

This export request must undergo NEPA review. Pieridae is requesting .8 bcf/d through an existing pipeline that only has .4 bcf/d capacity. NEPA exists for just this type of project.

“ The NEPA process is intended to help public officials make decisions that are based on understanding of environmental consequences, and take actions that protect, restore, and enhance the environment” 40CFR 1500.1(c)

“ environmental information is available to public officials and citizens before decisions are made and before actions are taken. The information must be of high quality. Accurate scientific analysis, expert agency comments, and public scrutiny are essential to implementing NEPA.” 40 CFR1500.1(b)

Based on Pieridae's long comments concerning NEPA in the application, it is apparent that they expect to undergo the NEPA review process. Indeed after providing arguments for 12 pages (pp 59-70) on why they should be a categorical exclusion, they then go on to argue why a Environmental Assessment rather than a full Environmental Impact Statement could be appropriate.

DOE Must Consider All Project Impacts

DOE needs to consider the impacts of the entire project. I was quite surprised to learn in Appendix F that *“This Project would increase Nova Scotia's greenhouse gas emission by approximately 18% (above 2010 emission levels).”* That is quite a large amount. As greenhouse gas emissions have global impact, it is appropriate for DOE to consider this as well.

DOE would be remiss if it did not carefully consider the direct and indirect climate impacts of this project particularly. Because Pieridae makes it clear that the Marcellus and Utica shale plays are the likely source of their requested exports, the impacts of production of the

increased .8 bcf/d in those plays should also be considered.

As of August 2014, DOE has approved for export amounts of natural gas accounting for more than half of the average daily current US gas production (40.96 bcf/d of the 70 bcf/d total). Three quarters of that was subject to Free Trade Agreement applications and was not reviewable for the “public interest” determination. This makes the “public interest” determination all the more crucial for the non-FTA export applications such as this one.

In addition to the climate change and other environmental impacts, DOE needs to ensure the economic interests of the US are protected. This should include a specific analysis of the who bears the costs and who reaps the gains. Pieridae admitted the increased exports could lead to higher prices for natural gas (affecting residential and industrial consumers of gas and electricity). The benefits they identify include “return on capital to equity investors .. and project lenders.” Is the average person and business owner will bearing the costs while the top 1% gain the advantage? Climate change impacts weigh more heavily on economically disadvantaged people throughout the world, even in the US. All these impacts are “reasonably foreseeable” and can be quantified.

Unfortunately, I just learned Saturday of the filing and comment period ending today. I have reviewed the application and materials submitted by Norton Rose Fulbright on behalf of Pieridae and have other comments pertaining to each section of the application that I will not have a chance to submit before today's 4:30 deadline. I expect DOE/FE will need to continue your careful review of this project including the analysis required by the NEPA. I hope that the further materials and opportunities to comment will be well-advertised throughout New England allowing all who may be affected the opportunity to comment.

Thank you again for the opportunity to comment.

Carolyn Sellars
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