

Northeast Energy Direct (NED)

A succinct introduction

Bob Dillberger
Mason Conservation Commission
1/6/14

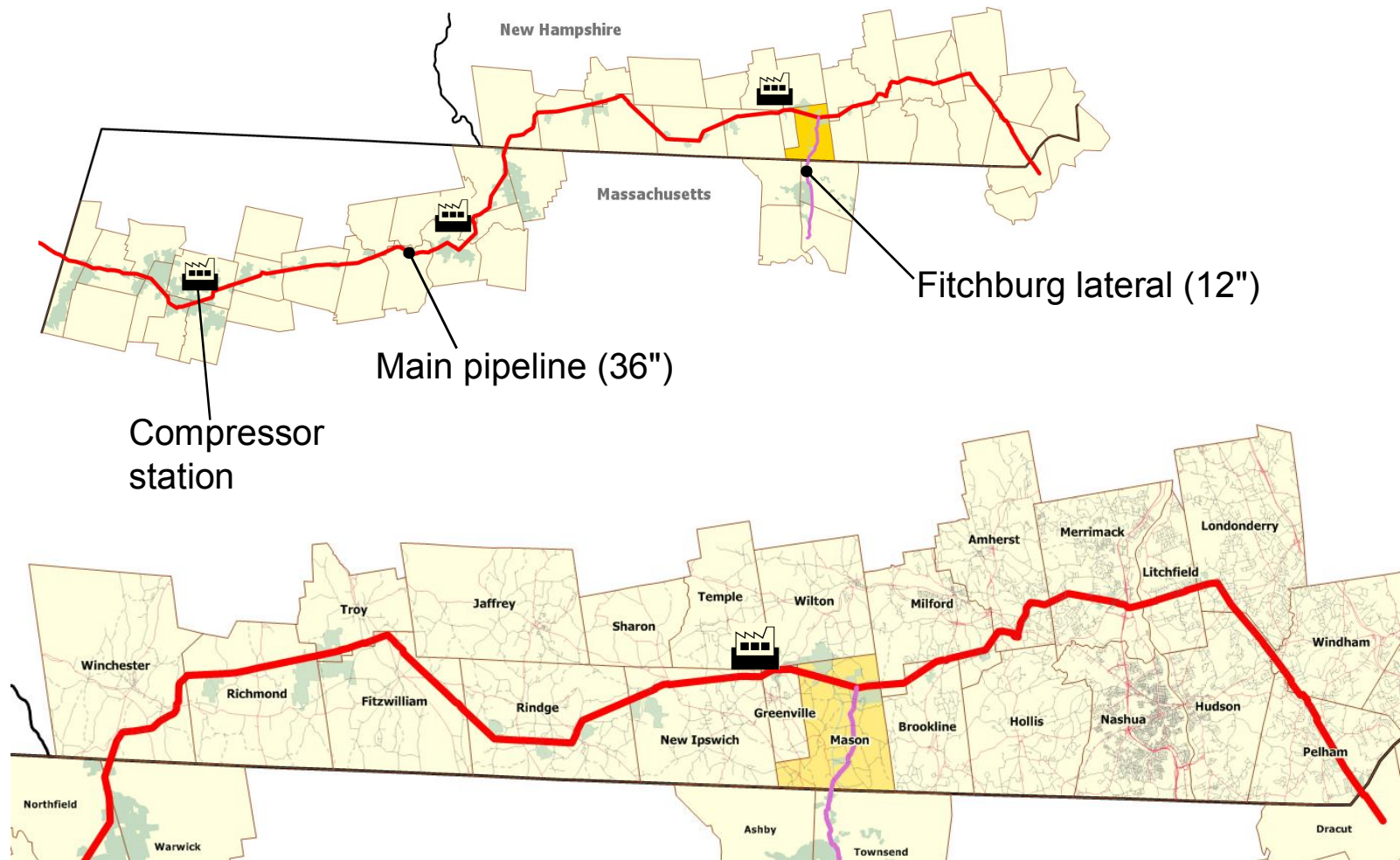
“Name an issue, any issue. Somewhere there are lobbyists, activists, and ideologically driven newspaper pundits who would be delighted to provide you with a rigorous and objective evaluation of the science that just happens to prove that the interest, agenda, or ideology they represent is absolutely right.”

Daniel Gardner
The Science of Fear

The Basics

- What is it?
 - A 36-inch buried pipeline carrying fracked natural gas 416 mi. from PA and NY to Dracut, MA
- Who's proposing it?
 - Kinder-Morgan (KM), the largest private pipeline company in U.S., and Tennessee Gas Pipeline, a KM subsidiary
- Why propose it?
 - For the public: To meet projected energy shortfall in N.E.
 - For KM: To make money

Planned Route

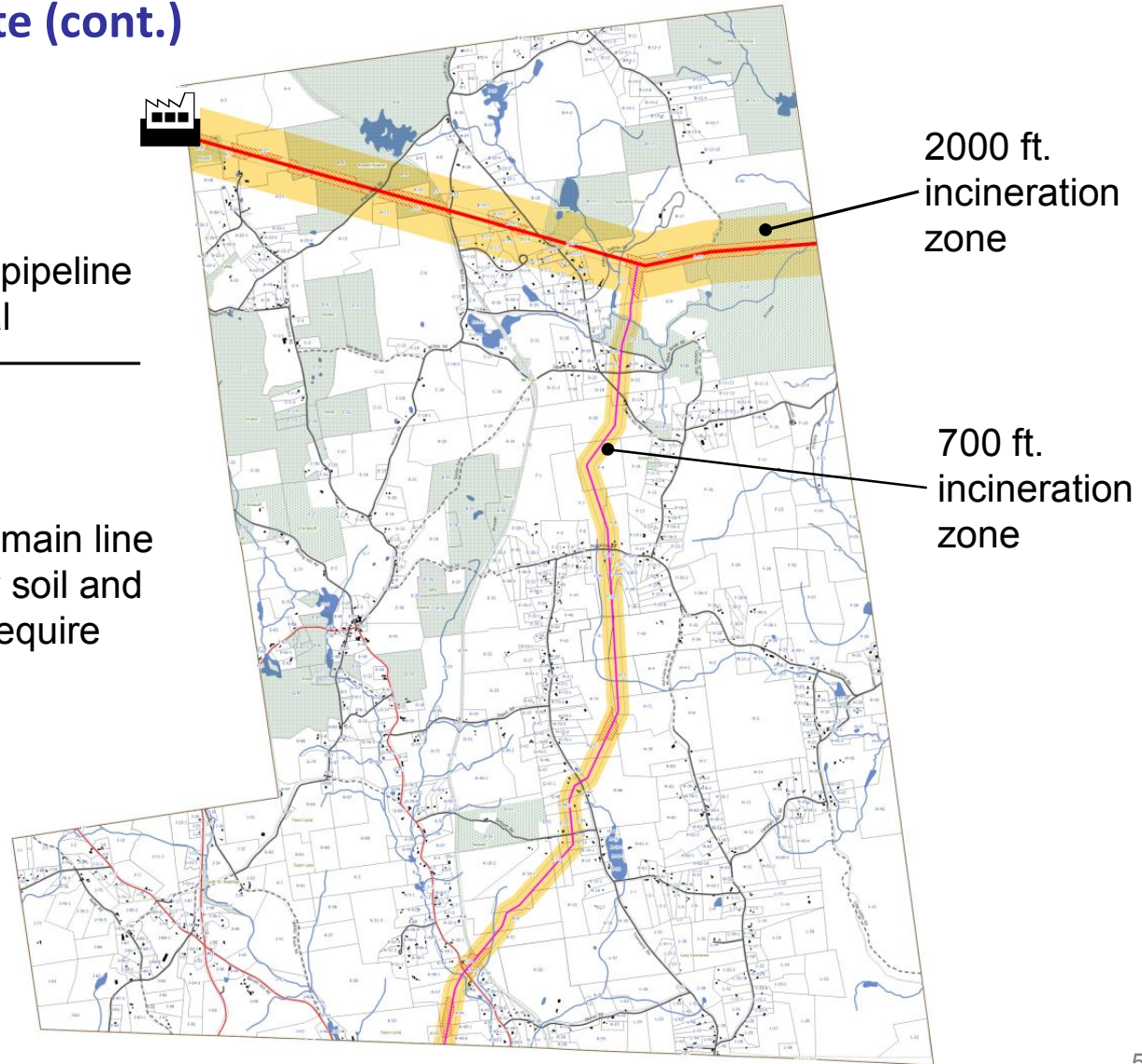


Planned Route (cont.)

4.45 mi. main pipeline
5.12 mi. lateral

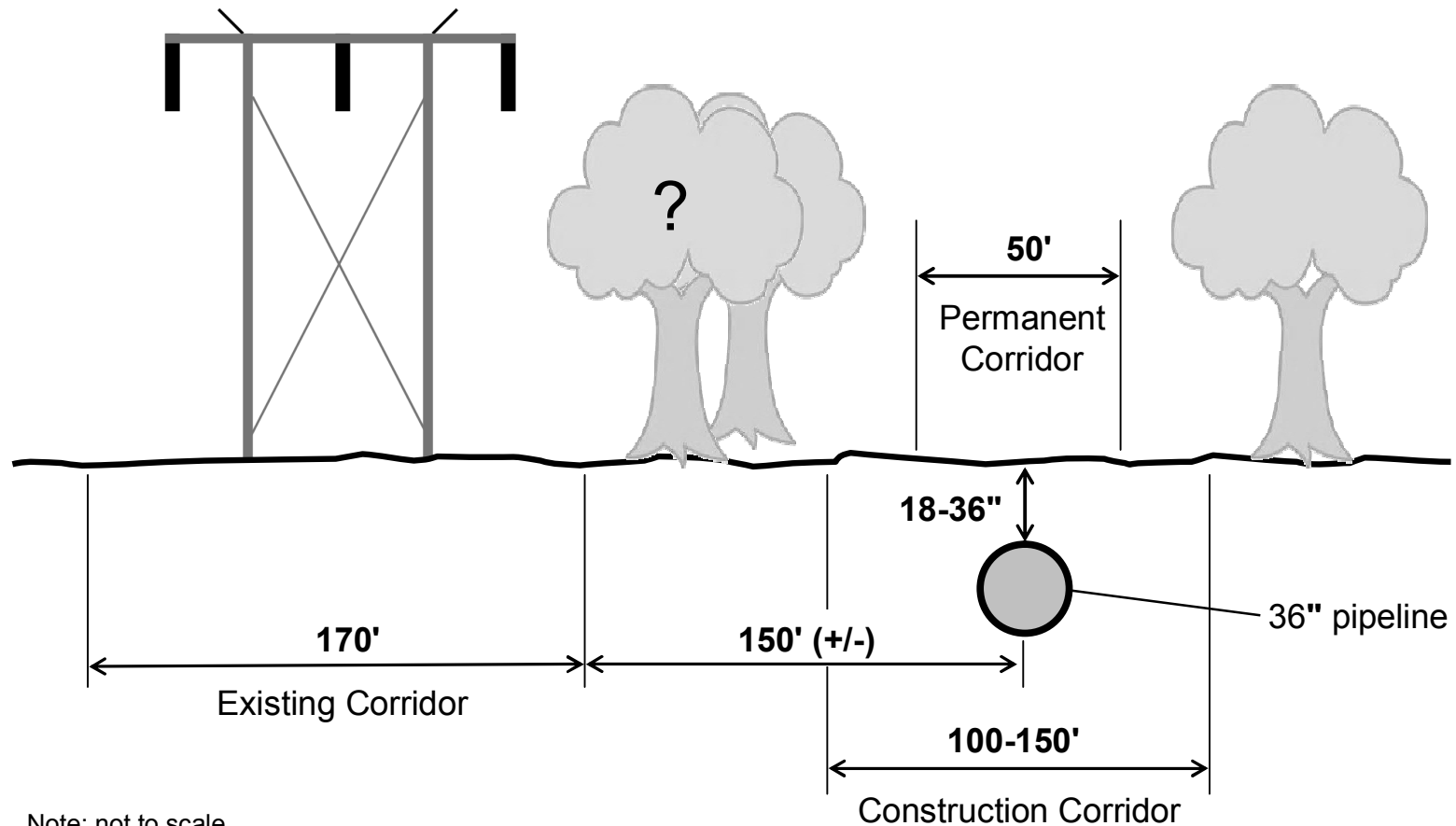
9.67 mi. total

About 50% of main line
spans shallow soil and
will probably require
blasting



Construction Profile

“Collocation”



Note: not to scale

Impacts

- Proposed route will cross:
 - 35 towns in MA and NH (417 mi. in 5 states)
 - Hundreds of conservation areas, water bodies, and wetlands
 - Approx. 1,600 private parcels, 65 in Mason. Can be taken through **eminent domain** if project is approved.
- Consumers will support construction through **tariff on electric rates** (\$4B in all) for all New England states (MA currently has withdrawn from this agreement)
- Permanent 50' corridor through town (on main line & lateral)
- Vegetation along corridor controlled in part by **herbicides**. Herbicides are preferred in wetlands.
- Noise & odor
- Increased fossil fuel dependence & pollution. Natural gas **produces more greenhouse gas** than coal when burning, extraction loss, leaks, and planned discharges are counted.

Supply vs. Need

- Pipeline will deliver up to **2.2 billion** cubic feet of gas per day year round.
- Projected gas shortfall for N.E. by 2029 is **360 million** cubic feet per day at **peak demand**.
- Supply is **6X** the need.
- The excess (~84%) will be exported through Canada to Europe & Asia (at 2 to 5 times the U.S. price)
- No gas will be available to the Monadnock region.

Supply vs. Need (cont.)

- Opponents have determined the projected shortfall can be covered by other means:
 - 30-60% through **increased insulation and energy efficiency** (i.e., decreased demand)
 - 30% by **plugging leaks** in existing pipelines (8-12% percent lost to leaks)
 - 100% through **imported liquified natural gas** (LNG): 2-3 tankers (cheaper than pipeline) are sufficient for peak periods.
 - 100% by **upgrading existing pipeline** (Spectra Energy has proposed a plan)

Compressor Stations

- Compressor stations are large **permanent industrial installations** operating 24/7. 20 acres for construction, 50-75 acres for noise buffer.
- Hillsborough County station is **one of the largest** ever planned in U.S. (80,000 HP).
- Fracked gas contains many noxious components (e.g., benzene, toluene, radon, 600 in all) left over from the fracking process. Pollution has been measured to a **2 mile radius** around compressor stations.
- Stations spec'd at one every 40-60 miles. Measured spacing along existing pipeline is **one every 16-22 miles**.
- Federal guidelines limit noise to 55 dB (loud conversation) on average at “the closest noise sensitive area”. Levels **up to 80 dB** (alarm clock) have been measured.

Money

- KM's est. **annual tax payments** to Mason: \$496,460
- Est. **loss in property value**: \$44,624 (10%) to \$133,873 (30%) based on 2014 tax data.
- Net tax revenue: \$362,587 to \$451,836
- Pipelines are **assets** and **depreciate** over 15-30 years. Tax income will decline as pipeline ages.
- Typical **one-time easement payment** to landowners: \$1.00/ft. per inch diameter
 - \$36/ft. for main pipeline
 - \$12/ft. for lateral
- Easements remain your property and **you pay the property tax.**

Money Update

centralmaine.com
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NEWS

Posted June 25, 2014 | Updated June 25, 2014

INCREASE FONT SIZE **A+**

Low pipeline values shock Waterville area

Municipalities that got proposed pipeline assessments from Summit Natural Gas are joining to seek higher taxes from the project.

BY **MATT HONGOLTZ-HETLING** STAFF WRITER
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“In Augusta,...the high range of what the city could collect...in property tax is about \$672,000. ... The new pipeline is operating at only about 1.5 percent capacity, and Summit has suggested that it should pay a proportional amount of taxes to Augusta — about \$9,800.”

A property tax windfall that once seemed certain for area communities is now in question, as Summit Natural Gas is making a case that it should pay less than expected for a pipeline being built through central Maine.

At stake is millions of dollars for the municipal coffers of communities along the route of the \$350 million pipeline project.

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A Balance Sheet

Pro

- Offers one possible solution to projected energy shortfall
- Yields property tax revenue for several years
- One-time payment to landowners

Con

- Unnecessary; alternatives exist.
- Tax revenues decline over time
- Landowners pay tax on easement and cannot use it
- Landowner rights ignored
- Landowners along route carry all the risk & reap no benefit
- Tariff imposes great cost to public
- Environmentally unsound
- Noise, light, and air pollution at compressor stations
- Increased demands on emergency services
- Incompatible with regional energy plans
- Rural character lost

Another Way to Make Decisions: 10/10/10

Consider your choices.

For each alternative, ask yourself

- 1. How will I feel about this choice 10 minutes from now?*
- 2. 10 months from now?*
- 3. 10 years from now?*
- 4. 10 generations from now?*

End