

# **Northeast Energy Direct (NED)**

A succinct introduction

Bob Dillberger

Mason Conservation Commission

1/6/14

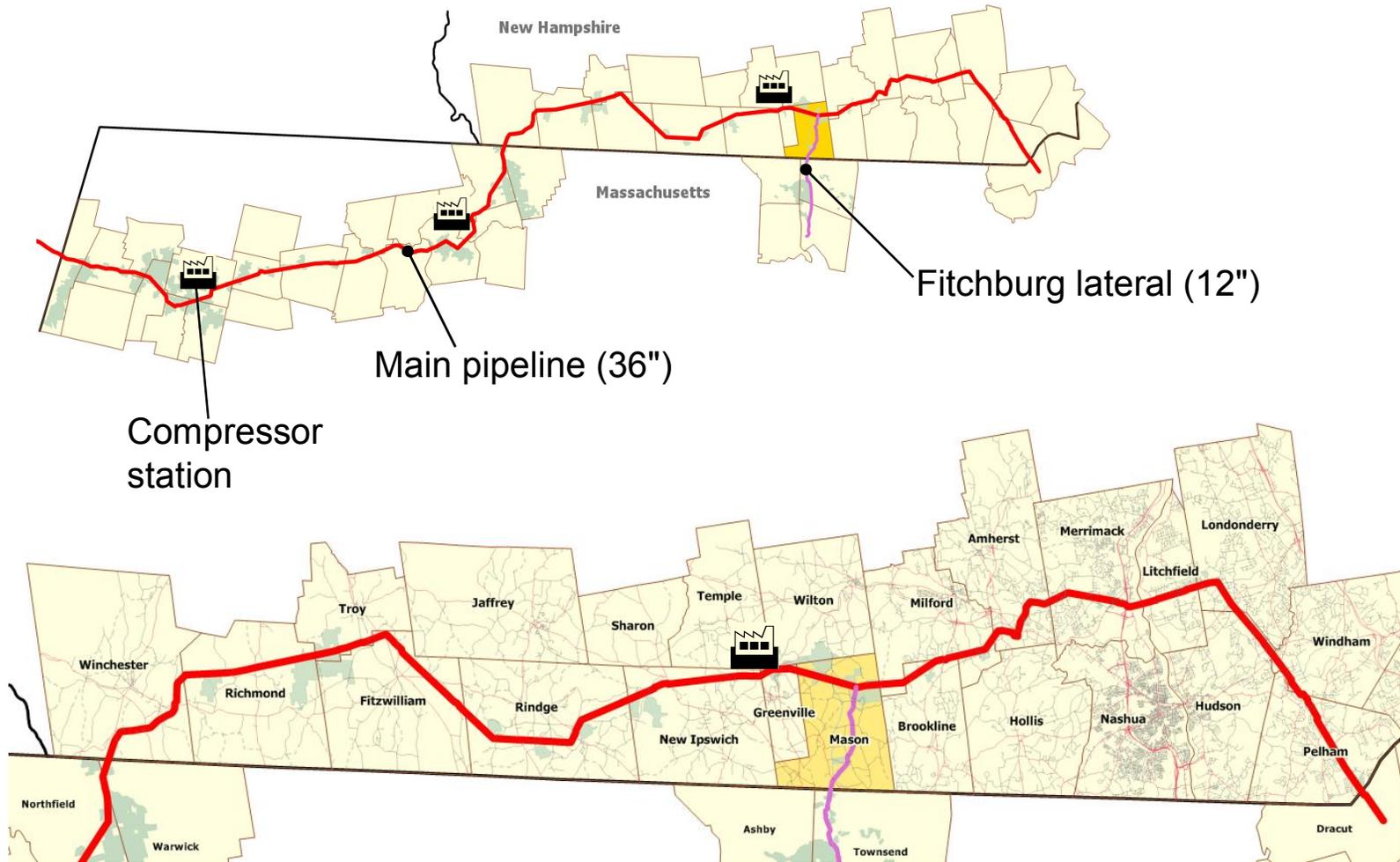
“Name an issue, any issue. Somewhere there are lobbyists, activists, and ideologically driven newspaper pundits who would be delighted to provide you with a rigorous and objective evaluation of the science that just happens to prove that the interest, agenda, or ideology they represent is absolutely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



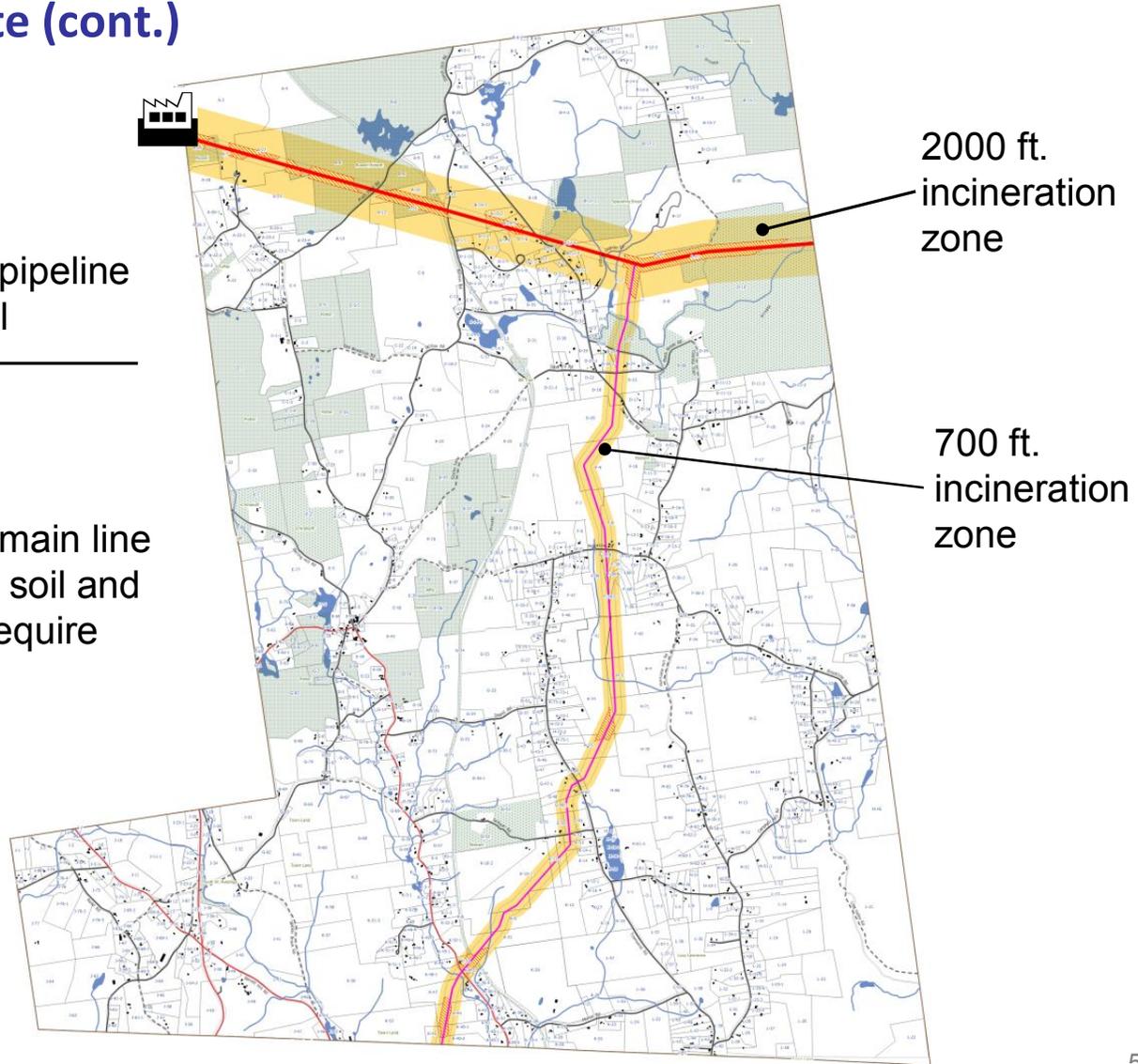
## Planned Route (cont.)

4.45 mi. main pipeline  
5.12 mi. lateral

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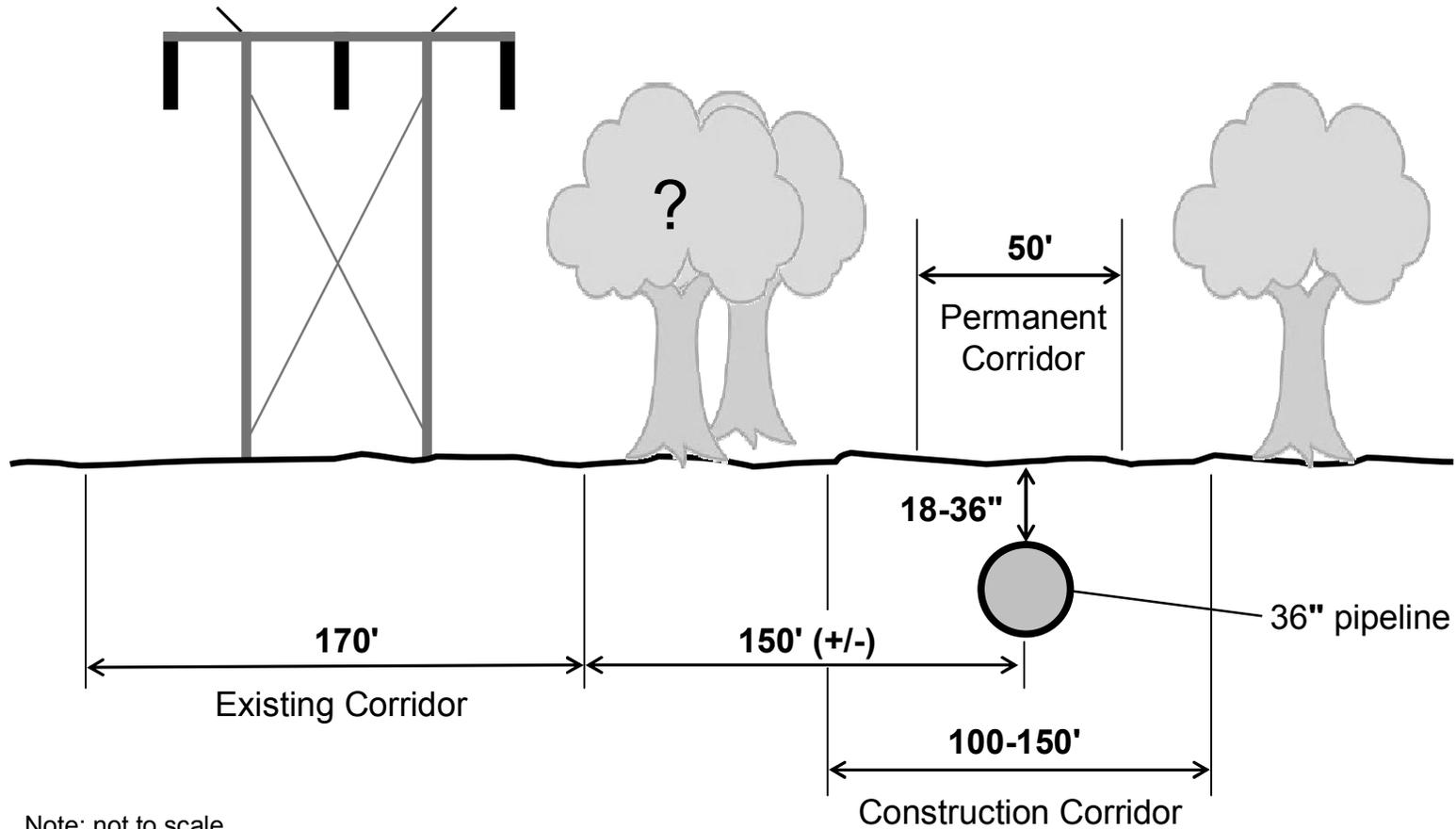
**9.67 mi. total**

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support construction through **tariff on electric rates** (\$4B in all) for all New England states (MA currently has withdrawn from this agreement)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

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## 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**