



September 12, 2016

Mr. Christopher M. Hogan
NYSDEC
Division of Environmental Permits
625 Broadway, 4th Floor
Albany, NY 12233-1750

Re: **Application ID: 4-2730-00038/00001 - Brookman Corners Compressor Station**
Application ID: 7-2530-00033/00001 - Sheds Compressor Station
Application ID: 8-0740-00081/00001 - Horseheads Compressor Station

Dear Mr. Hogan:

The Natural Gas Supply Association (NGSA) urges the New York State Department of Environmental Conservation (DEC) to act promptly and approve the pending Air State Facility Permits for the New Market Project proposed by Dominion Transmission, Inc. (DTI). Absent expedited action, this critically important, federally-approved interstate project will be unnecessarily delayed, impacting the ability of the New York utilities that have contracted for this capacity to reliably serve their customers.

After thorough review, the Federal Energy Regulatory Commission (FERC) approved DTI's New Market Project on April 28, 2016.¹ FERC's Environmental Assessment (EA) concluded that, "the Project...would not result in a significant impact on regional air quality"² and FERC determined that emissions related to the compressors will be below levels that present potential health concerns.³ In fact, FERC notes in the Certificate Order that the analysis in its EA went beyond DEC's permit review requirements by requiring air quality impact modeling.⁴ Yet, DTI's air permits have now been pending before the DEC for more than two years, precluding DTI's ability to begin construction.

Adequate pipeline capacity not only supports growing businesses and New York residents, but it also enhances reliability during winter peak periods throughout the Northeast region. The need for this project is demonstrated by the fact that it is already fully subscribed by Niagara Mohawk and Brooklyn Union. These National Grid subsidiaries have urged approval of the proposed capacity additions because they believe this capacity is critical to reliably serving their New York service territories and will allow them to access new sources of reliable domestic

¹ See *Dominion Transmission, Inc.*, 155 FERC ¶ 61,106 (2016) ("Certificate Order").

² *Dominion Transmission, Inc.*, New Market Project: Environmental Assessment, Docket No. CP14-497-000 at p. 86 (Oct. 20, 2015).

³ See Certificate Order at P 94.

⁴ See *id.* at P 99.

natural gas supplies, thereby bolstering their reliability by alleviating current capacity constraints.⁵ These utilities are taking the prudent steps expected by the New York Public Service Commission to secure adequate firm pipeline capacity to meet the needs of their customers, especially during winter conditions. Moreover, a lack of sufficient natural gas capacity will only continue to exacerbate energy consumers' exposure to price volatility in capacity-constrained areas, despite the abundance of clean natural gas in close proximity to the market area.

NGSA supports the use of all sources of energy, including all forms of renewable energy. However, as New York works toward its objectives of achieving a lower carbon footprint and increasing its reliance on renewable energy, the integral role that natural gas currently plays and will continue to play in a responsible transition must be recognized. In recent years, greater use of natural gas for generating power has enabled U.S. carbon emissions to reach 20-year lows. This is because, over its lifecycle, a natural gas fired generation facility only emits about half the carbon of other fossil fuels when combusted.⁶ Not only does natural gas provide the cleanest-burning fossil fuel option, it also enables greater penetration of renewable energy resources, further ensuring grid reliability while mitigating consumer exposure to excessive costs. The New York Independent System Operator's (NYISO) *Power Trends 2016* reiterates the critical role of natural gas by stating that gas-fired turbines will provide essential support for meeting New York's clean energy goals by providing fast-start capabilities to balance wind and solar.⁷

In recognition of likely changes in the overall fuel mix, including the increased use of natural gas to comply with the Clean Power Plan, a recent report by the North American Electric Reliability Corporation (NERC) urges state commissions and environmental offices to consider the amount of time necessary to develop upstream infrastructure and stressed that planning processes should already be underway.⁸ Given the expected growth in gas-fired generation and the fact that New York is the fourth largest state in terms of natural gas consumption,⁹ the DEC simply cannot afford to delay the building of additional pipeline capacity that will literally keep the lights on as we transition to a lower carbon environment in a responsible, reliable and cost-effective manner.

Consumer demand for natural gas has been steadily growing since 2009 with good reason: it is abundant, reliable, affordable, clean and American. Access to abundant domestic natural gas has given U.S. industrial companies a competitive advantage over their global competition,

⁵ See *Dominion Transmission, Inc.*, Comments of National Grid, Docket No. CP14-497-000 (March 3, 2016); *Dominion Transmission, Inc.*, Motion to Intervene and Comments in Support of the National Grid Gas Delivery Companies, Docket No. CP14-497-000 (July 1, 2014).

⁶ See National Renewable Energy Laboratory, "Harmonization of Initial Estimates of Shale Gas Lifecycle Greenhouse Gas Emissions for Electric Power Generation," Proceedings of National Academy of Sciences, July 2014, available at <http://www.pnas.org/content/111/31/E3167.abstract>.

⁷ See News Release: New York Independent System Operator Issues Power Trends 2016 (July 5, 2016), available at:

http://www.nyiso.com/public/webdocs/media_room/press_releases/2016/NYISO%20Issues%20Power%20Trends%202016_7-05-2016.pdf.

⁸ See NERC, "Potential Reliability Impacts of EPA's Clean Power Plan, Phase II," p. viii., May 2016.

⁹ According to NYISO's *Power Trends 2016* report, natural gas power plants make up 57% of New York's total existing generating capacity and 70% of the proposed generating capacity.

leading to the resurgence of gas-intensive manufacturing in the United States and job creation. As other states in the Northeast continue to increase their use of natural gas for gas-fired generation, there will be enhanced competition for existing pipeline capacity that could further limit the capacity available in New York. To ensure that New York is truly open for business and not discouraging possible market opportunities for manufacturing growth, there must be sufficient infrastructure in place to meet demand.

Given the benefits DTI's New Market Project will provide to New York, we urge the DEC to act without delay.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "Dena E. Wiggins". The signature is written in a cursive style with a large initial "D".

Dena E. Wiggins
President and CEO
Natural Gas Supply Association

NGSA represents major integrated and independent companies that produce and market approximately one-fourth of the natural gas used in the United States. Established in 1965, NGSA encourages the use of natural gas within a balanced national energy policy, and promotes the benefits of competitive markets, thus encouraging increased supply and the reliable and efficient delivery of natural gas to U.S. customers. NGSA is the only Washington, D.C.-based trade association that focuses solely on producer/marketer issues related to the downstream natural gas industry.

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