



North Carolina General Assembly
House Of Representatives

Representative Pricey Harrison
61st District, Guilford County

Office: 1218 Legislative Building
16 W. Jones Sreet
Raleigh, NC 27601-1096
Telephone: (919) 733-5771
Facsimile: (919) 754-3259
Email: pricey.harrison@ncleg.net
Home Address: P.O. Box 9339
Greensboro, NC 27429

COMMITTEES:

Environment, Vice Chair
Appropriations
Appropriations, Agriculture and Natural and Economic Resources
Elections and Ethics Law
Energy and Public Utilities
Judiciary
Judiciary Subcommittee on Criminal Matters
Redistricting

Environmental Review Commission
Legislative Ethics Committee
Joint Select Committee on Storm-Related River Debris/Damage in
North Carolina

April 12, 2019

Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street NE, Room 1A
Washington, DC 20426

Re: Docket Nos. CP15-554-000 and CP15-554-001 (Atlantic Coast Pipeline)

Dear Secretary Bose,

As members of the North Carolina General Assembly, we respectfully ask the Federal Energy Regulatory Commission to **issue a stop work order and suspend the Certificate of Public Convenience and Necessity (the Certificate) while it re-assesses the need for the proposed Atlantic Coast Pipeline (ACP)**. A joint venture of Dominion Energy, Duke Energy and Southern Company, the pipeline's now \$7.8 billion price tag would be passed on to captive ratepayers under the developers' plans.

The ACP was first announced in 2014, and approved by FERC in 2017 with the issuance of the Certificate. The pipeline developers have never convincingly demonstrated a public need for the ACP. Falling renewable energy prices, and a growing body of evidence that the developers have overstated the demand for gas at the same time that upgrades to existing infrastructure have increased available capacity, further indicate the lack of market need for the ACP. If built, it would lock not just North Carolina but the entire Southeast region into decades of climate-disrupting fossil fuel use, which is incompatible with North Carolina's climate goals as outlined in Governor Cooper's Executive Order 80.

The lack of demand for the ACP is underscored in the most recent Integrated Resource Plans (IRP) of Duke and Dominion Energy (whose affiliates are both primary developers *and* customers of the ACP). Duke's latest IRPs for its two North Carolina electric utilities delay previously planned fracked gas plants by at least five years beyond the originally proposed timeframe, and none have yet been approved by state regulators. Duke's first power plant that might need more gas supply is not proposed to begin operating until many years after the ACP is supposed to be in service. North Carolina Attorney General Josh Stein also recently argued the utility's modeling should test a "wider range of storage technologies paired with renewable energy" and take into account the costs to ratepayers from climate change caused by gas-fired generation.



Dominion's most recent IRP was rejected by Virginia state regulators, in part for overstating projections of future electricity demand.^[1] Dominion's re-filed IRP does not propose building any additional combined cycle gas plants in five of six scenarios, including those modeling compliance with carbon regulation. Instead, the plans rely on solar power to replace retiring coal plants.

Further, the project has no independent committed customers. Six companies, all of which are regulated utility affiliates of the pipeline's three owners, have contracted for 96% of the pipeline's capacity. Utility subsidiaries of Duke and Dominion in Virginia and North Carolina have contracted for 86% of the pipeline's capacity. Heightened scrutiny must be applied to these affiliate transactions. **We urge FERC to issue a stop work order and suspend the Certificate of Public Convenience and Necessity until another analysis of need has been done.**

The ACP is facing numerous legal challenges; seven federal permits have been stayed, vacated, or suspended. According to Dominion Energy, all construction on the pipeline is currently stopped. When – or *if* – construction will start up again is unknown.

In addition to growing regulatory uncertainty, the project is currently two years behind schedule and substantially over-budget. Duke Energy recently estimated the project cost at \$7.8 billion -- some one-third higher than the originally estimated \$5.1 billion -- with full operation pushed back to at least 2021. Those costs, plus profit, could be passed on the developers' electricity ratepayers.

The burden of this proposed project would fall hardest on communities of color and low-income communities. Thirty thousand Native Americans live in census tracts that FERC considers part of the project area in North Carolina.^[2]

North Carolina is second in the nation for installed solar capacity. According to the NC Department of Environmental Quality, the forecasted growth in the use of renewable energy may reduce the forecasted demand for gas. The ACP is unnecessary to meet demand for gas in our State, and we are concerned that harmful environmental impacts of the proposed ACP, and impacts on ratepayers, outweigh any potential benefits to North Carolina's citizens. **We respectfully urge the Commission to issue a stop work order, and suspend the Certificate of Public Convenience and Necessity in order to re-assess the need for this project.**

Sincerely,

Representative Pricey Harrison, District 61
Representative Marcia Morey, District 30
Representative Graig Meyer, District 50
Representative Allison Dahle, District 11
Representative Susan Fisher, District 114
Representative Evelyn Terry, District 71
Representative Cecil Brockman, District 60
Senator Wiley Nickel, District 16
Senator Erica Smith, District 3
Senator Valerie Foushee, District 23
Senator Kirk deViere, District 19

Representative MaryAnn Black, District 29
Representative Terence Everitt, District 35
Representative Naasif Majeed, District 99
Representative Deb Butler, District 18
Representative John Autry, District 100
Representative Terry Garrison, District 32
Representative Cynthia Ball, District 49
Senator Natasha Marcus, District 41
Senator Terry Van Duyn, District 49
Senator Mike Woodard, District 22
Senator Mujtaba Mohammed, District 38

^[1] Institute for Energy Economics and Analysis (IEEFA) and Oil Change International, *The Vanishing Need for the Atlantic Coast Pipeline, Growing Risk That the Pipeline Will Not Be Able to Recover Costs From Ratepayers*, January 2019.
^[2] Emanuel, Ryan. (2017, July 21). Flawed environmental justice analysis. *Science Magazine*, 357(6348). Retrieved from www.sciencemag.org/content/357/6348/260.

Document Content(s)

FERC letter.PDF.....1-2