

https://www.thedailystar.com/news/local_news/energy-giant-drops-proposed-constitution-pipeline/article_9c923154-239f-5201-85ac-84268610351f.html

Energy giant drops proposed Constitution Pipeline

By Joe Mahoney CNHI State Reporter

Feb 21, 2020

Pipeline protesters stand outside the Delaware County office building in Delhi on Oct. 10, 2012, during a Delaware County Board of Supervisors meeting.dAILY sTAR File



ALBANY — Williams Companies, the Oklahoma energy giant, confirmed Friday that it has shelved the Constitution Pipeline, a proposed interstate natural gas pipeline that triggered a prolonged battle between environmental activists and pro-development advocates.

“Williams — with support from its partners, Duke, Cabot and AltaGas — has halted investment in the proposed Constitution project,” the company said in response to questions from CNHI.

“While Constitution did receive positive outcomes in recent court proceedings and permit applications, the underlying risk adjusted return for this greenfield pipeline project has diminished in such a way that further development is no longer supported,” Williams added.

Anne Marie Garti, an environmental lawyer who helped form the opposition group Stop the Pipeline, said the group “fought this epic 8-year battle with courage, conviction and intelligence, adding: “Perseverance pays off.”

Williams disclosed this week in a financial report that the investors in the Constitution Pipeline took a \$345 million “impairment,” suggesting that the investment in the mammoth 124-mile pipeline was being written off.

“Impairment” is an accounting term meaning a reduction in the recoverable amount of a fixed asset.

Despite being approved by the Federal Energy Regulatory Commission, the project skidded into trouble when New York regulators refused to issue water-crossing permits, citing environmental concerns.

Constitution's footprint would have crossed hundreds of real estate parcels in Chenango, Delaware and Schoharie counties. Garti said Stop the Pipeline's next mission is to ensure easements acquired by Constitution are removed from landowners' deeds.

Williams, in the statement released by the company's spokeswoman, Erica Jones, said: "Natural gas remains a critical part of our country's clean energy future, and Williams is well-positioned to take advantage of the growing demand for natural gas as a reliable, low cost and clean alternative for power generation fuel, heating oil and diesel."

Williams, while stopping short of taking direct issue with New York regulators, also said: "Our existing pipeline network and expansions offer much better risk adjusted return than greenfield opportunities, which can be impacted by an ambiguous and vulnerable regulatory framework. We are prepared to deliver the clean energy benefits of natural gas now through infrastructure projects like Regional Energy Access, Leidy South and the Northeast Supply Enhancement."

The pipeline was designed to move 650,000 dekatherms of natural gas per day. Just last September, Williams voiced optimism about the project, saying then Constitution "continues to represent much-needed energy infrastructure designed to bring natural gas to a region of the country confronting natural gas supply constraints."

Earthjustice, a nonprofit environmental group that opposed Constitution, argued the project would have increased demand for fracked gas while causing pollution and posing threats to wildlife and human health.

Moneen Nasmith, an Earthjustice lawyer, said Catskill Mountainkeeper, Riverkeeper and the Sierra Club were among the clients that objected to the pipeline.

"At this critical moment for our climate, we cannot afford unnecessary fossil fuel projects that will lead to more fracking and exacerbate our climate crisis," Nasmith said.

Several pro-fracking landowner groups and trade unions came out in support of the project at a series of public forums, billing it as beneficial to the upstate economy. Tom Shepstone, who runs the pro-fracking blog Natural Gas Now from Pennsylvania, said the Constitution project suffered from a series of regulator delays he attributed to opposition from the Cuomo administration.

“This reflects the total disregard the Cuomo administration has for upstate New York,” Shepstone said. “This dream of powering everything with renewables is ludicrous.”

Cuomo is seeking to get legislative approval to speed up the process of siting of renewable energy projects to help the state reach the goal of having 70 percent of its electricity from green sources by 2030.

The Cuomo legislation would establish the Office of Renewable Energy Permitting to ensure decisions relating to wind and solar projects are “predictable” and “responsible,” the governor said in an announcement.

Joe Mahoney covers the New York Statehouse for CNHI’s newspapers and websites. Reach him at jmahoney@cnhi.com

Conversation

FOLLOW



Join the conversation

LOG IN | SIGN UP

ALL COMMENTS 5

Newest ▾



Robert Wing 24 DAYS AGO

So who benefits from this move? Certainly, NY homeowners and businesses don't because they will continue to pay ever-increasing costs for their energy needs. Climate change activists don't because instead of natural gas traveling to a destination by pipeline, gas will have to be transported by rail or vehicle, which contributes to greenhouse gasses. Residents and businesses will continue to get their power needs primarily from coal-fired power plants, rather than power plants that are powered by natural gas, which is much cleaner. So the fact is, NY residents and businesses suffer financially, while the whole world suffers from greenhouse gasses being pumped into the atmosphere, simply because of a bunch of ignorant activists. How much longer is NY going to put up with the nonsense?

REPLY 4 REPLIES ^ 0 v 2



TailgatingCzar 23 DAYS AGO

Reply to **Robert Wing**

Actually you guys are both right and wrong.

Natural gas prices are near their lowest pricing since 2016 for prompt month gas, and near all time lows. But that is for NYMEX natural gas, the national standard based on the Henry Hub.

The Constitution pipeline was not being proposed to help out natural gas prices for the whole country, but for a specific region. It would be better to check out Tenn Zone 6 Basis Pricing in the winter time to see the lack of natural gas supply hurts Northern NY and NE states. If a polar vortex event happens this market can shoot above \$50/MMBtu with ease. While the markets in PA and OH are always paying \$2-\$4/MMBtu, these are the true market areas that experiencing "a gut of supply." Luckily this winter has been one of the warmest on record, so the lack of NG supply has not been a factor for upstate NY and NE states.

As for the rapidly transition to wind and solar energy for NY. Not sure what you are talking about. What percentage do you think New York gets from renewable energy (non-hydro)? Its not even 10% that comes from solar and wind combined, while natural gas and nuclear are the largest energy sources in NY state. The state should focus more on improving the nuclear energy resources if it wants to meet its carbon emission goals. The state is just not a great area to receive the full benefits of wind (like Iowa or West TX) or solar (like southern CA).

REPLY 1 REPLY ^ 1 v 1



Robert Wing 22 DAYS AGO

Reply to **TailgatingCzar**

Thank you for posting that. I guess my response was deleted or never posted. It would take a huge amount of acreage for any feasible solar and wind energy sources, and NY doesn't have the sunshine or wind, as you pointed out, to get the full benefit. I personally believe a solar or wind farm looks a lot uglier than a pipeline that is buried and out of sight. I also know that trucking or using railroads to transport LP gas is dangerous, as evidenced by the countless number of accidents that occur with them. Pipeline explosions are relatively rare, and usually are from very old lines. I'd really like to see more research into wave and tidal energy, particularly for places such as our major cities along the coasts.


REPLY ^ 0 v 0



Add your reply

Daily Star Events

 See All Events

 Add your event

Tue,
Mar
17



TUE	WED	THU	FRI	SAT	SUN	MON	TUE	WED	THU	FRI	SAT
17	18	19	20	21	22	23	24	25	26	27	28

