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Michigan Chapter

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

Dear Ms. Bose,

The comments submitted below are pursuant to the scoping process for the proposed Nexus Pipeline (Docket #PF15-10-000). These comments are submitted on behalf of the Sierra Club Michigan Chapter, 109 E Grand River Avenue, Lansing, MI 48906.

Nancy Shiffler  
Chair, Michigan Beyond Natural Gas and Oil Committee

May 5, 2015

There is little in this proposal that reflects a “balancing of public benefits with residual impacts.” This pipeline is essentially a supply-push project -- an attempt by the natural gas industry to find a market for its over production in the Marcellus play in Pennsylvania, Ohio, and West Virginia, in particular to expand exports. There is no demonstrated need for additional natural gas capacity in Michigan or in the region in general, while the impact on the safety, economic value, and environmental health of local property owners and communities would be considerable.

### **Questionable need for this pipeline**

- The AEO 2015 Early Release forecasts that Marcellus gas production will remain relatively FLAT from 2015 thru 2030. [http://www.eia.gov/forecasts/aeo/workinggroup/oil-naturalgas/pdf/oilandnatgas\\_presentation\\_91614.pdf](http://www.eia.gov/forecasts/aeo/workinggroup/oil-naturalgas/pdf/oilandnatgas_presentation_91614.pdf)
- Natural gas demand in Eastern Canada is in decline. In spite of phasing out coal, natural gas declined to only 7% of Ontario’s 4<sup>th</sup> quarter 2014 electric production. Hydro and nuclear accounted for 87%, and wind 6%. (In Quebec, almost all electricity comes from hydro.) [http://www.ontarioenergyreport.ca/pdfs/Energy%20Quarterly\\_Electricity\\_Q4.pdf](http://www.ontarioenergyreport.ca/pdfs/Energy%20Quarterly_Electricity_Q4.pdf)
- Few US and Canadian LNG export plans will be realized. According to analysts, “Huge cost overruns, poor planning, changing market conditions and emerging skinny margins will likely kill many projects across the world, or postpone their materialization to an uncertain future; Canadian projects likely will be the hardest hit. Of the 15 proposed Canadian LNG export facilities, none have reached a final investment decision.” <http://theadvocate.com/news/business/10650285-123/falling-oil-prices-put-proposed>

- Based on a February, 2015 Department of Energy report (“Natural Gas Infrastructure Implications of Increased Demand from the Electric Power Sector”—[http://energy.gov/sites/prod/files/2015/02/f19/DOE%20Report%20Natural%20Gas%20Infrastructure%20V\\_02-02.pdf](http://energy.gov/sites/prod/files/2015/02/f19/DOE%20Report%20Natural%20Gas%20Infrastructure%20V_02-02.pdf)), only 54% of current pipeline capacity is being used. One of their key findings: “Higher utilization of existing interstate natural gas pipeline infrastructure will reduce the need for new pipelines.” Even so, FERC is in the process of approving far more pipeline capacity than the DOE and EPA say are needed. For example, FERC is reviewing applications for 48 Bcf/d additional Marcellus pipeline capacity to be built over the next few years. The DOE finds only 8.4 Bcf/d is needed over the next 15 years.
- FERC must rationalize Nexus, Rover, ANR and all other MW pipelines. Rational, common sense use of existing gas pipelines (better capacity usage, increased pressure, partnering, etc.) can meet the needs of these markets. For example, Nexus is not needed north of Ohio:
  - In northern Ohio, Nexus can connect with Panhandle Eastern, which already serves Michigan and could connect to Vector
  - Nexus could partner with ANR from Northern Ohio to serve Chicago or connect to Vector in Marshall or Bridgeman Michigan
  - Or partner with Rocky Express for service to Chicago and the Gulf
 Analysis of SNL data finds these pipelines are UNDERUTILIZED most of the time.

These alternatives would eliminate environmental, landowner and other problems. They would also achieve FERC’s goal to avoid “*Adverse Impact on Existing Pipelines and their Customers.*” Too many pipelines and low capacity usage will result in higher rates and negative impacts on shippers, pipeline companies and the public. <http://mcsts.dteenergy.com/pdfs/transmissionStorageMap.pdf>

### **Adverse Environmental Impacts**

- The EIS should include an analysis of the impacts of all the alternative routes, including the ET Rover and the ANR East routes and a no action option, to address the concerns listed below.
- The pipeline and related infrastructure construction would cause irreversible damage to thousands of acres of forests, wetlands, and fields. Relevant to this issue is the June 2014, decision by the U.S. Court of Appeals for the District of Columbia, *Delaware Riverkeeper Network, et al. v. Federal Energy Regulatory Commission, Tennessee Gas Pipeline Company*, which noted FERC’s responsibility to consider cumulative impacts. FERC should consider the cumulative impacts of the entire length of the Nexus pipeline and the activities that produce the gas to be transported through the pipeline.
- The EIS should provide an accounting of the total acreage of wetlands that would be affected by each alternative.
- Likewise, the EIS should provide an accounting of the acreage of forests and woodlots that would be affected by the alternatives.
- In rural areas, there has been insufficient consideration of the impact on farmlands, including farmer’s access to farm fields during construction and inadequate restoration of topsoil

during reclamation. Temporary plugging or damage to drainage ditches and underground tiling could have affects extending beyond the construction area. Particular attention must be paid to protection for existing conservation easements, Fish and Wildlife Services contracts for resource conservation, USDA-NRCS Conservation Stewardship and Grassland Reserve Programs, and timber stand improvement contracts.

- The alternatives should also be assessed for impacts on state and federal threatened and endangered species, including a habitat suitability survey along each route. For Michigan, the Michigan Natural Features Inventory ([www.mnfi.anr.msue.edu/explorer/search.cfm](http://www.mnfi.anr.msue.edu/explorer/search.cfm)) provides the listings for each of the counties on the proposed routes.
- As part of its environmental review, FERC should estimate the green house gas impacts from the production, transport, and usage of the gas, including methane leakage from the production sites, the pipeline and compressor stations, and the CO2 releases from increased burning of natural gas. This analysis would be in line with the President's recently announced targets to cut net greenhouse gas emissions 26-28 percent below 2005 levels by 2025.
- In addition to methane and CO2 emissions, FERC should also calculate other emissions, including benzene, VOCs, arsenic, radium, and other chemicals.
- Finally, FERC should consider the potential environmental impacts of increased use of hydraulic fracturing in the Marcellus region as a result of the new markets targeted by this and similar projects. These impacts include: air and water quality ([http://files.dep.state.pa.us/OilGas/BOGM/BOGMPortalFiles/OilGasReports/DeterminationLetters/Regional\\_Determination\\_Letters.pdf](http://files.dep.state.pa.us/OilGas/BOGM/BOGMPortalFiles/OilGasReports/DeterminationLetters/Regional_Determination_Letters.pdf)); health impacts (Concerned Health Professionals of New York. (2014, December 11), Compendium of scientific, medical, and media findings demonstrating risks and harms of fracking (unconventional gas and oil extraction) (2nd ed.). <http://concernedhealthny.org/compendium/>); and worker safety (<http://www.eenews.net/login?r=%2Fenergywire%2F2014%2F10%2F20%2Fstories%2F106000753>).

### **Adverse Impact on Landowners and Local Communities**

- Safety impacts are of paramount concern. The required setbacks from homes and other buildings are insufficient to account for the potential impact radius in the event of an explosion. The EIS should analyze the safety risks posed by the number of residences within the projected impact radius of the pipeline. Of particular concern is the dense residential area as the route approaches the Ypsilanti area.
- Many rural areas are served by small fire departments backed by local volunteer fire fighters, which would be stretched thin in the event of a major explosion or fire. The EIS should assess the response time and capacity for communities along the route.
- Local government concerns over the impact of heavy equipment on local roads and bridges must be addressed. The EIS should assess the potential costs to local communities.

- Individual landowners are rightfully concerned with the impact of the project on their property values, access to mortgages, and insurance coverage. Estimates of these costs should be available from previous pipeline construction projects.

Thank you for the opportunity to present these concerns. We look forward to your responses to all of the comments, which have been submitted during this scoping process.