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PIPE LINE AWARENESS NETWORK
FOR THE NORTH EAST, INC.
www.plan-ne.org

June 10, 2019

Secretary Kimberly Bose
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: TGP 261 Upgrade Projects, Docket No. CP19-7-000
Initial Comments on Environmental Assessment

Dear Secretary Bose:

The Pipe Line Awareness Network for the Northeast, Inc. ("PLAN") respectfully submits these initial comments on the May 17, 2019 environmental assessment ("EA") issued by the Commission's staff on the Application for a Certificate of Public Convenience and Necessity (the "Application") filed with the Commission by Tennessee Gas Pipeline Company, LLC ("TGP") for its 261 Upgrade Projects (the "Projects"), proposed for Agawam, Massachusetts, with a pipeyard partially in Enfield, Connecticut.

The Projects comprise a 2.1-mile pipeline loop (the "Looping Project") from Compressor Station 261 northwards along Line 261B-100 in Agawam and a replacement of two gas turbines at Compressor Station 261 with a single gas turbine resulting in a 4,418 horsepower increase (the "HP Replacement Project"). The Projects would provide 72,400 Dekatherms per day ("Dth/d") in new capacity, only 63 percent of which is subscribed.

PLAN requests a ***site visit*** by FERC staff and a ***full environmental impact statement*** to better inform the alternatives analyses for ***all*** Project components that the Commission does not deny certification outright. PLAN disagrees with the EA's recommendation that the Commission's Order contain a finding of no significant impact with minor mitigation measures as conditions of a certificate. The Looping Project in particular has significant environmental impacts, but, as set forth below, ***need*** for the Looping Project cannot be established by any reasonable measure. PLAN submits that contractual commitments are ***necessary but not sufficient*** evidence of Project need. Mitigation measures are insufficient when the Looping Project itself is avoidable. Therefore, PLAN urges the Commission to issue an order denying TGP authorization to construct the Looping Project.

Additionally, the EA errs in not recognizing project segmentation with respect to the proposed Longmeadow Meter Station (the "Meter Station"). The 261 Upgrade Projects and the Meter Station are part of an integrated plan to address system pressure and reliability issues and projected gas demand in the Springfield service area of Bay State Gas Company dba Columbia Gas of Massachusetts ("Columbia Gas" or "CMA") and the service area of Holyoke Gas and Electric ("HG&E"). Because construction of the Meter Station is imminent, we urge the Commission to clarify at this time that the Meter Station must be included in the instant certificate review so that alternatives can be properly considered.

The final topic of these comments is the inadequacy of the EA's analysis of the electric-powered compression option.

1) <u>Looping Project is not Justifiable</u>

As outlined in previous comments, and detailed below, the significant impacts of the 17,000 Dth/d Looping Project are not justifiable because the Looping Project was designed specifically to enable a potential intrastate pipeline project that, at this juncture, is not likely to be pursued.[1]

The Looping Project was designed to provide the capacity for a six-mile pipeline through West Springfield, referred to hereinafter as the "Alternate Backfeed".[2] The 17,000 Dth/d comprises HG&E's contract for 5,000 Dth/d (the "HG&E Contract") and a portion of CMA's contract with TGP (the "CMA Contract").[3] David Mueller, CMA engineer, confirmed in a June 5, 2019 meeting with regional stakeholders (the "June 5th Meeting") that the 17,000 Dth/d Looping Project was designed to enable CMA to build the Alternate Backfeed. Mr. Mueller offers that, alternatively, that this capacity might be needed to provide increased minimum delivery pressure. He concedes, however, that the increased pressure from HP Replacement Project may be able to provide the minimum delivery pressure of 300 psig provided for in the CMA Contract. In fact, TGP states that **<u>the new compressor unit</u>** "**will provide higher pressure into the 10-inch**

[1] See CMA comments, April 29, 2019 (available at https://elibrary.ferc.gov/IDMWS/common/opennat.asp?fileID=15233244) (noting that Alternate Backfeed "has been considered" as a possible way to meet CMA customer demand, and reiterating—rather than refuting—that "CMA may not ultimately construct" that pipeline).

[2] The Looping Project "would provide an additional 17,000 dekatherms per day ("Dth/d") of capacity to transport incremental natural gas requested by the customers to the existing CMA distribution system." TGP Expanded Environmental Notification Form ("EENF") at 6 (available at https://elibrary.ferc.gov/IDMWS/common/OpenNat.asp?fileID=15135221).

[3] The Alternate Backfeed would have allowed a capacity swap between the Projects' two customers by creating an alternate supply path via Agawam for HG&E, which is currently only supplied via TGP's Northampton Lateral. HG&E would then assign all of its capacity on the Northampton Lateral to CMA to provide additional capacity to CMA's Northampton market; an equal amount (plus HG&E's newly contracted 5,000 Dth/d), would be provided to HG&E via the Alternate Backfeed.

261B-100 pipeline."[4] If the Alternate Backfeed pipeline that needs 17,000 Dth/d is not built, CMA and TGP cannot pretend that this capacity is needed for something else.[5]

Much has changed regarding the Alternate Backfeed since TGP filed its Application for the enabling Looping Project. Specifically, the Mayors of Holyoke and Northampton have both publicly stated their opposition to the expansion of gas infrastructure for their respective cities and have commenced planning for alternative means to meet their cities' energy needs. The new president of Columbia Gas, Marc Kempic, has described the Alternate Backfeed as a mere "spark" of an idea as to how to meet projected customer demand.[6] Over the coming months, CMA plans to continue meetings with stakeholders to determine whether to pursue approval from the Massachusetts Energy Facilities Siting Board (the "Siting Board") to construct the Alternate Backfeed. Mr. Kempic states that CMA's decision will be made prior to the filing of its next long-range forecast and supply plan with the Massachusetts Department of Public Utilities, which is due on October 30, 2019.

The Looping Project and the Alternate Backfeed are dependent and contingent upon one another. The HG&E Contract specifies transportation service for HG&E to the Agawam meter; however, as explained in the City of Holyoke's motion to intervene, "HG&E cannot receive gas at the Agawam meter unless Columbia Gas builds its West Springfield pipeline[.]"[7] The HG&E Contract gave HG&E a right to terminate the contract if CMA if adequate progress was not made on the Alternate Backfeed.[8]

Even if CMA ultimately pursues the Alternate Backfeed, the Looping Project does not need and should not receive approval prior to Siting Board approval of the Alternate Backfeed. When TGP entered into the precedent agreements for these Projects' capacity, the parties contemplated that CMA would obtain Siting Board approval for the Alternate Backfeed in the first quarter of 2019.[9] However, CMA has not even ***petitioned*** the Siting Board as of this writing. CMA estimates that a Siting Board proceeding to authorize the Alternate Backfeed would take twelve

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[4] EENF at 6.

[5] TGP has asserted that additional benefits of the Looping Project would be to "increase the design delivery pressure to the system" and to "enhance the reliability of the 261B-100 pipeline by providing the ability to maintain deliveries to the system in the event that the looped section of the line is taken out of service for maintenance." EENF at 6. As discussed below, the Longmeadow Supply Strategy would alleviate demands on the the 261B-100 line and provide a redundant supply path to Springfield.

[6] Private communication at the June 5th Meeting.

[7] Motion of Alex B. Morse, Mayor of The City of Holyoke for Leave To Intervene Out-of-Time, 2-3 (available at https://elibrary.ferc.gov/IDMWS/common/opennat.asp?fileID=15238429).

[8] The HG&E Contract gave HG&E the right to terminate the agreement without liability to TGP if CMA "has not obtained by March 29, 2019 a license from the Massachusetts Energy Facilities Siting Board for the construction of a new distribution pipeline [the Alternate Backfeed,] from the [CMA] distribution system to [HG&E's] distribution system." HG&E Contract at 17.3 (available in Exhibit I to the Application).

[9] *Id.*

to eighteen months at minimum if CMA ultimately does decide to pursue that project.[10] It is reasonable to estimate that the Alternate Backfeed could not be approved prior to the 2021 construction season at the earliest, without factoring in any appeals process; thus, the CMA Alternate Backfeed project—if it were to proceed—is already approximately two years behind its original schedule.

Moreover, the HP Replacement Project alone is more than adequate to fulfill contractual obligations, which total 45,500 Dth/d. The HP Replacement Project would upgrade the Agawam compressor station and provide more than 55,000 Dth/d of additional capacity. Slightly over half of this capacity is subscribed, providing approximately 30,800 Dth/d of capacity at the Agawam citygate, which connects to CMA's distribution system.[11] The unsubscribed capacity, variously described at 25,000 or 27,000 Dth/d, would be available generically to "help alleviate capacity-constrained New England gas markets."[12]

In light of these circumstances, no certificate of "necessity" is warranted for the Looping Project. Given the information available, it is clear that the best way to "avoid or minimize adverse impacts or enhance the quality of the human environment", consistent with 40 C.F.R. § 1502.1, is to deny TGP's request for authorization to construction the Looping Project. The Commission ***should deny*** the Application with respect to the Looping Project or, at minimum, ***suspend*** consideration of the Looping Project until the Alternate Backfeed has been approved by the Siting Board.

2) Impermissible Segmentation

The Longmeadow Meter Station should be reviewed as part of the instant Application, and requires a more robust alternatives analysis than has been prepared to date. TGP has insisted throughout the instant proceeding that the Meter Station is subject to automatic approval under its blanket certificate authority. The blanket certificate regulations state: **"The certificate holder shall not segment projects in order to meet the cost limitations set forth in column 1 of Table I."** 18 C.F.R. § 157.208(a). ***TGP cannot avail itself of the blanket certificate regulations because the Longmeadow Meter Station is part of a larger reliability project*** developed by CMA and TGP, as discussed below.

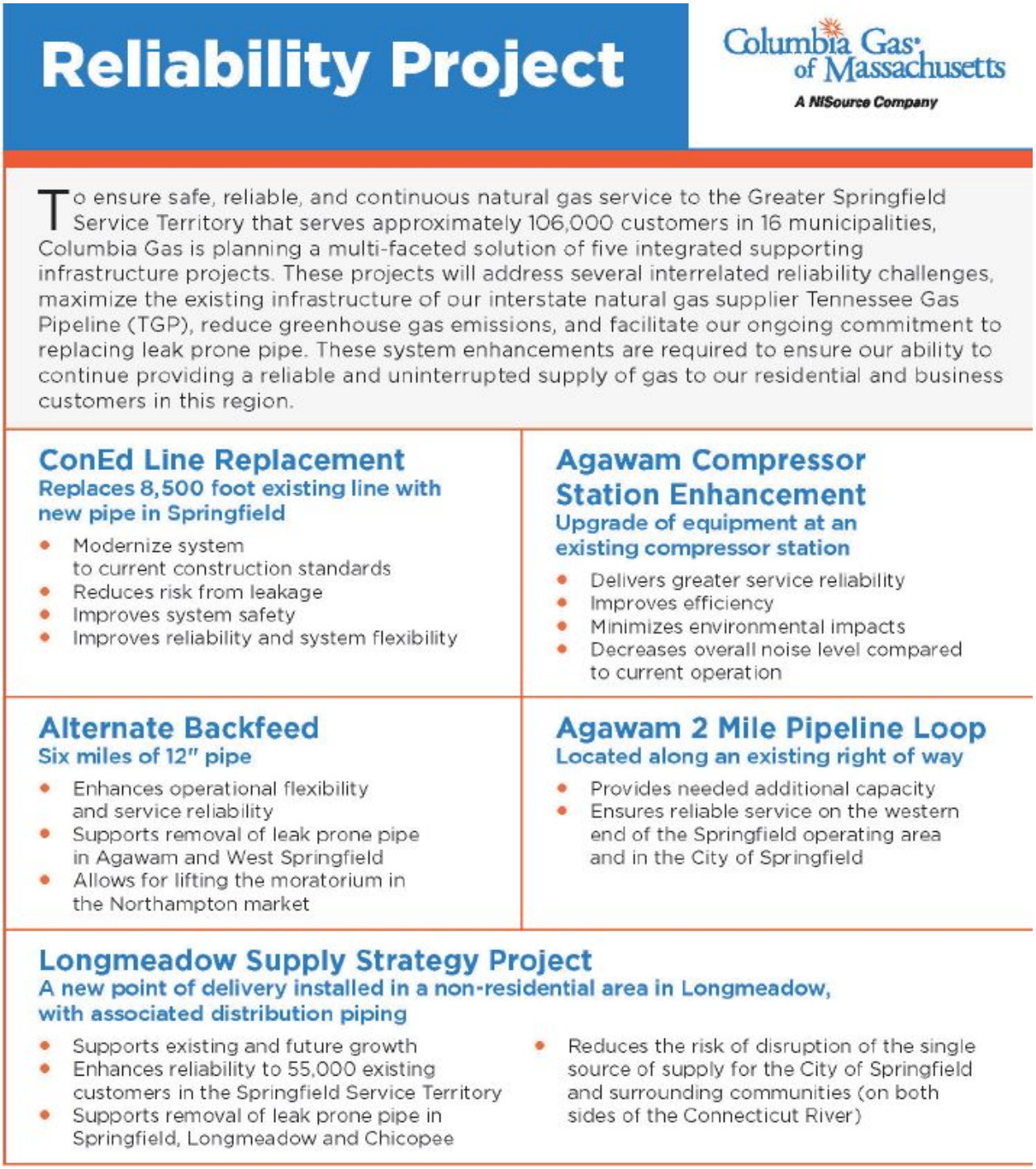
Under the applicable Council on Environmental Quality regulations, "Connected Actions" include actions that "... (2) cannot or will not proceed unless other actions are taken previously or simultaneously; and (3) are ***interdependent parts of a larger action*** and depend on the larger action for their justification." 40 C.F.R. § 1508.25(a)(1) (2018) (emphasis added).

[10] Per David Mueller, at the June 5th Meeting.

[11] EENF at 6.

[12] Application at 6.

TGP's claim that the 261 Upgrade Projects and the Longmeadow Meter Station are unrelated does not withstand the most basic scrutiny. The capacity for the Longmeadow Meter Station and the 261 Upgrade Projects are all part of a single firm transportation contract. CMA has described the 261 Upgrade Projects and the Longmeadow Meter Station, together with CMA's proposed pipeline expansions discussed herein, as **"integrated supporting infrastructure projects"** designed to address **"interrelated reliability challenges"**:



Reliability Project

Columbia Gas of Massachusetts
A NiSource Company

To ensure safe, reliable, and continuous natural gas service to the Greater Springfield Service Territory that serves approximately 106,000 customers in 16 municipalities, Columbia Gas is planning a multi-faceted solution of five integrated supporting infrastructure projects. These projects will address several interrelated reliability challenges, maximize the existing infrastructure of our interstate natural gas supplier Tennessee Gas Pipeline (TGP), reduce greenhouse gas emissions, and facilitate our ongoing commitment to replacing leak prone pipe. These system enhancements are required to ensure our ability to continue providing a reliable and uninterrupted supply of gas to our residential and business customers in this region.

ConEd Line Replacement

Replaces 8,500 foot existing line with new pipe in Springfield

- Modernize system to current construction standards
- Reduces risk from leakage
- Improves system safety
- Improves reliability and system flexibility

Agawam Compressor Station Enhancement

Upgrade of equipment at an existing compressor station

- Delivers greater service reliability
- Improves efficiency
- Minimizes environmental impacts
- Decreases overall noise level compared to current operation

Alternate Backfeed

Six miles of 12" pipe

- Enhances operational flexibility and service reliability
- Supports removal of leak prone pipe in Agawam and West Springfield
- Allows for lifting the moratorium in the Northampton market

Agawam 2 Mile Pipeline Loop

Located along an existing right of way

- Provides needed additional capacity
- Ensures reliable service on the western end of the Springfield operating area and in the City of Springfield

Longmeadow Supply Strategy Project

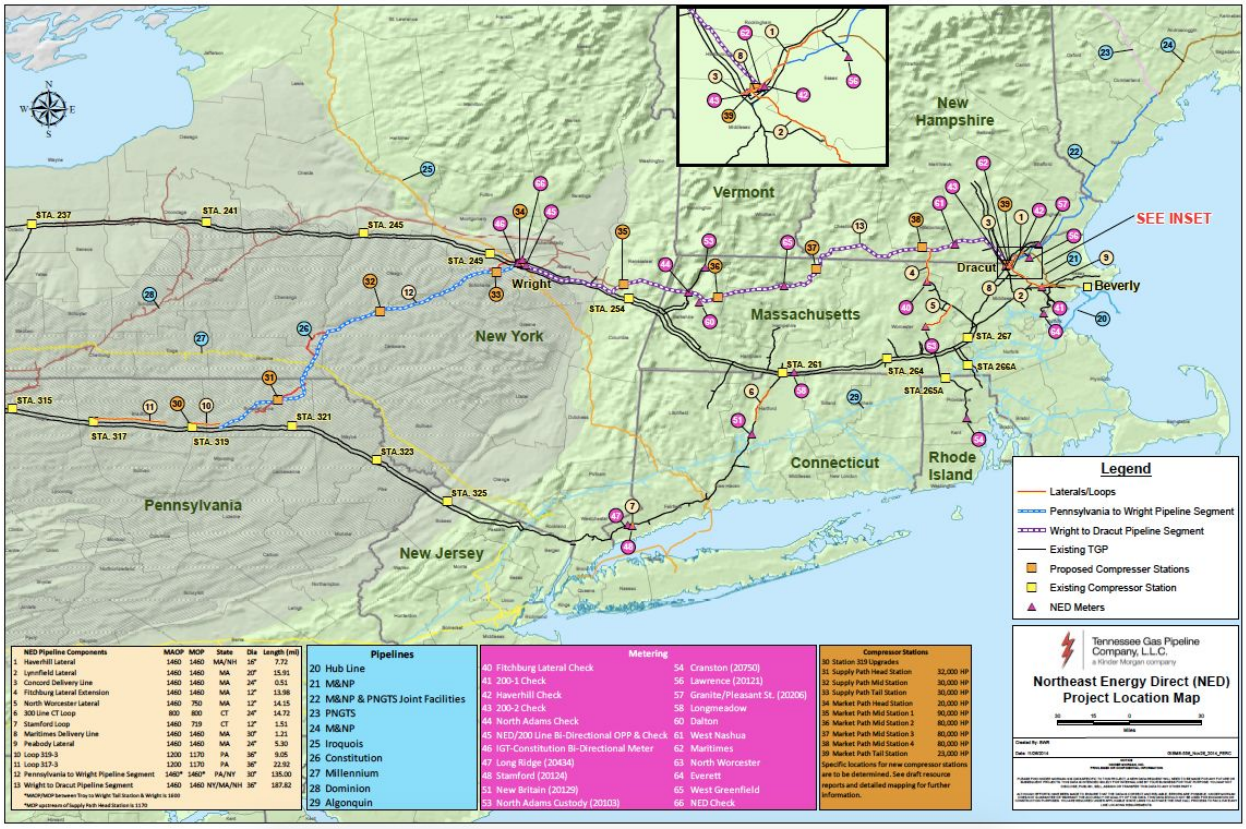
A new point of delivery installed in a non-residential area in Longmeadow, with associated distribution piping

- Supports existing and future growth
- Enhances reliability to 55,000 existing customers in the Springfield Service Territory
- Supports removal of leak prone pipe in Springfield, Longmeadow and Chicopee
- Reduces the risk of disruption of the single source of supply for the City of Springfield and surrounding communities (on both sides of the Connecticut River)

(This handout has recently been removed from the CMA website.)

A map of this Columbia Gas Springfield Area Reliability Plan is included in PLAN's initial comments to MEPA, submitted to this docket on December 27, 2018.[13] While some components are subject only to state review, those that are subject to the Commission's jurisdiction should be reviewed under a single docket.

The Longmeadow Meter Station was previously proposed five years ago as part of TGP's Northeast Energy Direct ("NED") project.[14] See the map below from the NED prefiling,[15] indicating the proposed Longmeadow Meter Station as proposed Meter 58.



Prior to its cancellation, the NED project expanded to involve greenfield pipelines proposed in **five states**, but no infrastructure was proposed for Hampden County, Massachusetts other than

[13] Available at https://elibrary.ferc.gov/IDMWS/common/opennat.asp?fileID=15216738.

[14] "Tennessee proposes to construct and operate a new delivery meter station to Columbia Gas off of the existing Tennessee 200 pipeline. Meter station components include metering, filter-separator, EGM, and communications. Heating, regulation and odorization facilities will be installed by Columbia Gas, as required." NED 11-21-2015 https://elibrary.ferc.gov/IDMWS/common/OpenNat.asp?fileID=14051143 at 1-50. "A new lateral line will be installed by Columbia Gas to connect their existing distribution system to the new meter station. Per Columbia Gas, new lateral will be a 12-inch steel pipe operated at 60 to 200 psig. Lateral length will be approximately 2,500 feet installed along Shaker Road." Id. at 1-139.

[15] NED Resource Report 1 December 8, 2014 available at https://elibrary.ferc.gov/IDMWS/common/OpenNat.asp?fileID=13704079.

the Longmeadow Meter Station.[16] In contrast, the instant Projects are part of a plan developed by TGP, CMA, and HG&E to address local reliability issues with new and upgraded infrastructure exclusively in Hampden County. ***If the Longmeadow Meter Station could be considered part of NED, then it cannot be considered separate from the instant Projects.*** Allowing the meter station to be sited and built without federal oversight and without a thorough alternatives analysis would violate the specific non-segmentation rule set forth in 18 C.F.R. § 157.208(a).

One reason that the Meter Station must be part of this Application is that delivery to Longmeadow is intended to be a substitute for (or alternative to) delivery to Agawam. If a new citygate is added in Longmeadow, or the aging East Longmeadow meter station[17] is modernized and upgraded, volumes currently delivered at Agawam would be offloaded, thereby freeing up capacity at Agawam.

TGP has publicly stated its intention to build a new meter station ***prior*** to its requested date for a certificate decision in this proceeding. TGP would thereby evade consideration of alternatives because the Meter Station would be a *fait accompli* before the Commission makes a certificate decision regarding the 261 Upgrade Projects. Similarly, CMA plans to petition the Siting Board in the fall of 2019 for authority to build a 200 psi pipeline from the proposed Longmeadow Meter Station; if the Meter Station is already under construction, the state alternatives analysis will essentially be preemptively negated.

Delaying the construction of the Meter Station so that it can be reviewed (and alternatives explored) as part of this proceeding ***will not delay*** the implementation of whatever reliability solution is ultimately approved by the Siting Board. The state's review can be expected to take at least twelve months, but TGP has indicated that it would need no more than four months to construct the Meter Station.[18]

3) Electric Motor-Driven Compression Alternative

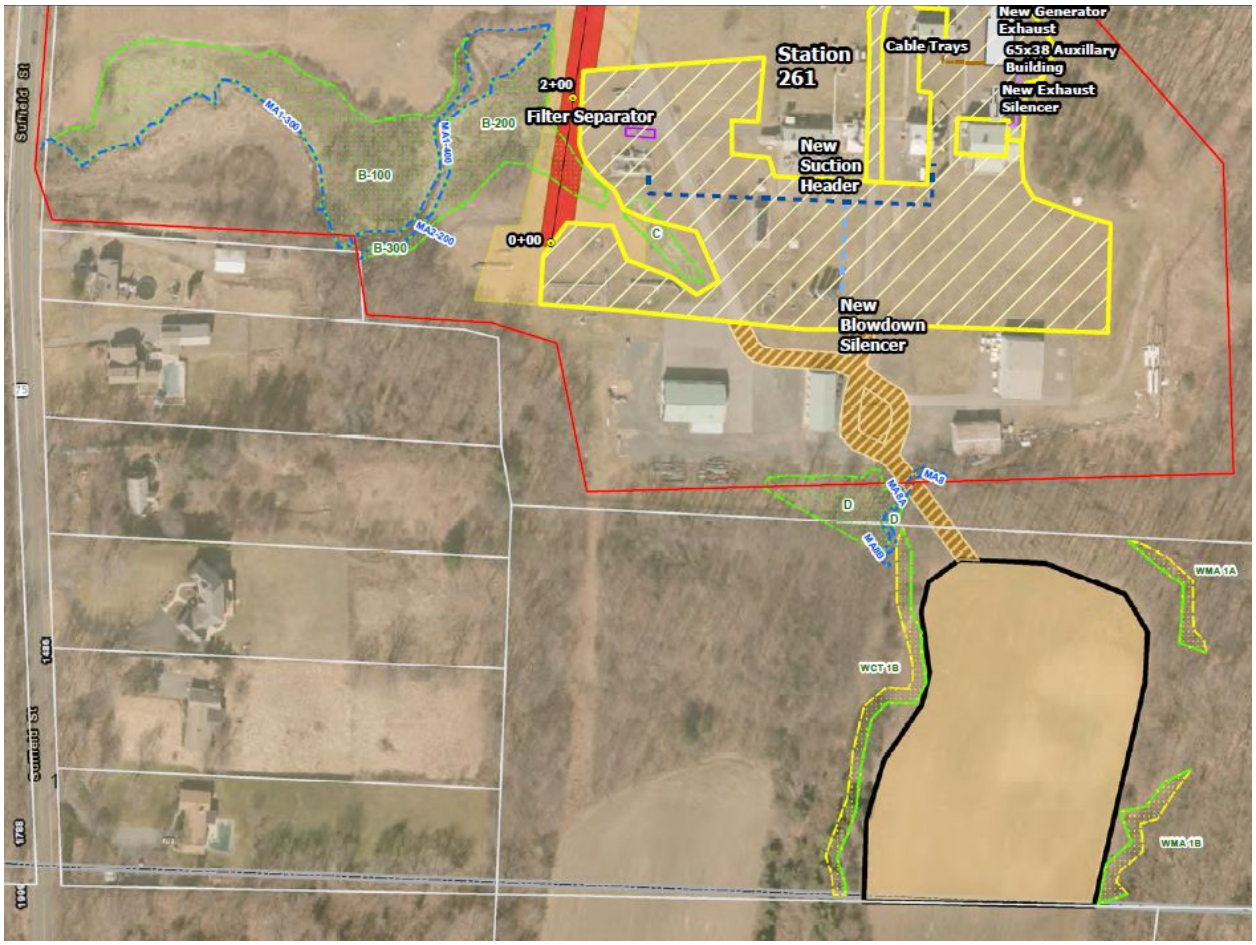
It is PLAN's understanding that the Commission's staff did not conduct a site review in Agawam. Instead, the preparers of the EA appear to have accepted all of TGP's assertions regarding the inappropriateness of an electric motor rather than a gas turbine for the HP Upgrade Project, including alleged siting constraints for a substation.

[16] In conjunction with NED, TGP planned a "Hydrotest and MLV install east of TGP Station 261 involved with proposed NED meter 58 in Longmeadow." 1b-24 NED RRQ Nov 2015.

[17] See testimony of Cynthia Sommer, March 27, 2019 (available at p. 48 of April 24, 2019 Siting Board filing, https://elibrary.ferc.gov/IDMWS/common/opennat.asp?fileID=15227431).

[18] See FEIR at 1.2.2 (available at https://plan4ne.files.wordpress.com/2019/06/261-upgrades_feir_final_29may2019_electronic.pdf).

The image below from the Draft Environmental Impact Report for the Projects[19] shows where TGP plans to clear trees for a temporary access road to the pipeyard site that TGP already owns. If a substation is necessary, this pipeyard appears to be one viable location.



Land immediately to the east of the CS 261, closer to the high voltage transmission lines, is another option that would avoid the wetlands to the west.

TGP asserts that in addition to the need to site a substation, electric-powered compression would not be as reliable as gas-powered, but provides no examples of failures at electric-powered compressor stations. Not only does TGP have other electric-powered compressor units in the region, these facilities include backup generators to enhance reliability. Without a site visit or more thorough analysis of the electric option, the Commission is poised to allow TGP to disregard the climate policies of the Commonwealth of Massachusetts, as well as the ongoing shift in the region's electric grid towards renewable electric generation sources with lower greenhouse gas emissions than natural gas.

[19] Available at https://elibrary.ferc.gov/IDMWS/common/OpenNat.asp?fileID=15150905, (Attachment A, page 1 of 7, p. 380 of file).

Conclusion

For all of the reasons set forth above, PLAN respectfully requests that the Commission (1) deny the Application with respect to the Looping Project; (2) issue an order immediately declaring that the Longmeadow Meter Station is not subject to automatic approval and shall be included in the instant certificate review; and (3) schedule site visits to Longmeadow and Agawam, including the preferred Meter Station site and alternate sites, and conduct a full environmental impact assessment for all three TGP projects discussed herein (if the Application is not denied or review is not suspended, with respect to the Looping Project).

Respectfully submitted,

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