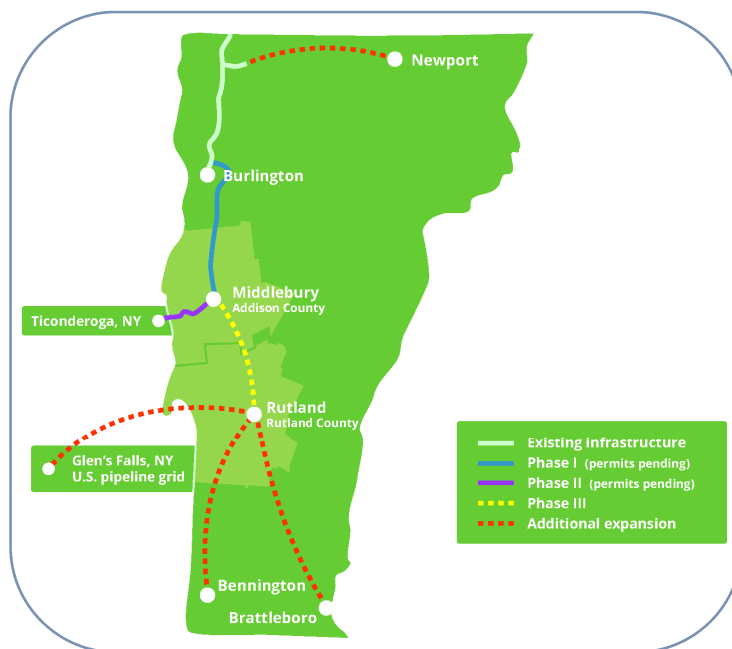


Addison County Gas Pipeline Project

What's the plan?

Vermont Gas Systems (VGS) is Vermont's sole natural gas utility, offering service in the north-west corner of the state with a supply from Alberta, Canada. In 2011, VGS made public their plans to expand their gas infrastructure to Addison and Rutland counties in Vermont, as well as to New York State for interconnection with the United States pipeline system. In 2012, VGS added to their plan a pipeline to the International Paper mill in Ticonderoga, New York. In 2013, VGS CEO Don Gilbert stated further expansion plans to the other three corners of Vermont: Newport, Bennington, and Brattleboro. All told, Vermont finds itself in the early stages of a statewide build-out of natural gas infrastructure.



Who decides?

VGS is owned by a Canadian company called GazMetro, but it is regulated by a Vermont state agency called the Public Service Board (PSB). The PSB supervises Vermont's natural gas, electric, and telecommunications utilities and is the primary permitting body for new energy facilities and infrastructure. Before VGS can build any new infrastructure, it must receive a permit called a Certificate of Public Good (CPG). The permit review process ostensibly evaluates a proposed project's impact on various economic, environmental, and quality of life criteria. The permit, which allows the utility to seek the use of eminent domain to permanently take land for a pipeline easement, can be overturned only by the Vermont Supreme Court.

Regulatory update

VGS has divided its statewide expansion effort into phases, each of which requires its own CPG in addition to various other state, municipal, and, in some cases, federal permits. In December 2013, the PSB granted a CPG for Phase I. VGS's application for a CPG for Phase II was filed in November 2013, triggering a likely yearlong review process. Applications for subsequent phases are not expected for some time, although VGS has already begun to hold public information meetings in towns potentially impacted by Phase III.

For more information go to www.vtcpg.org

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The issues

- ♦ **Economic disappointment.** Natural gas is not the permanent economic boon that advocates claim. A few of the economic drivers that will increase the price of gas over time include: increased regulation of the extraction process to protect groundwater from being polluted by hydraulic fracturing; the introduction of a carbon tax on the high levels of methane leaked during the drilling and transportation processes; and expansion for exports to overseas markets, such as China, which are willing to pay higher prices (there are currently nine Liquefied Natural Gas shipping ports under construction.) A Texas energy consultant explained the gas bubble by saying, "There is a lot in common with the subprime mortgage market just before it melted down." (Rolling Stone, "The Big Fracking Bubble" (March 2012))

Meanwhile, local distribution of gas along the proposed pipeline is limited; 70 percent of the fuel transported in the Phases I and II pipelines would be designated for International Paper Company in New York State (see note below). Still more gas would be destined for Rutland and beyond for distribution through the national pipeline network.

Note: For Phase II, over 99 percent of the transported fuel would be designated for International Paper Company.

- ♦ **Local impact.** Pipeline construction would entail clearing a 75-foot-wide pathway for a trench, which would transect farmlands, woodlands, and be located near homes. Many Vermonters fear that the pipeline path will turn into an energy utility corridor that will become a path for additional utilities, such as electric transmission lines.
- ♦ **Pollution and climate change.** The fuel sold by VGS includes gas acquired by hydraulic fracturing, or "fracking," the controversial drilling process that uses massive resources and leaves a wake of pollution. Fracked gas is made of mostly methane. Pound for pound, methane has 80-100 times the heat-trapping power of CO₂ over a 20-year period. According to a New York State commissioned report, "Although natural gas emits less carbon dioxide per unit of electric power than coal, two factors cause natural gas to increase global warming relative to coal: higher methane emissions and less sulfur dioxide emissions per unit energy than coal." (Jacobson, M.Z., et al., Examining the feasibility of converting New York State's all-purpose energy infrastructure to one using wind, water, and sunlight. Energy Policy (2013), <http://dx.doi.org/10.1016/j.enpol.2013.02.036>) Building more pipeline infrastructure would lock Vermonters into dependence on fossil fuels for decades, preventing us from taking steps toward Vermont's clean energy future now.

Clean energy alternatives

Vermont's abundant sources of clean heat—solar, geothermal, and wood pellets—have already started slashing fuel bills and creating local, green jobs. "Vermont's Thermal Efficiency Task Force reported that the state could save \$1.4 billion and reduce carbon pollution by 6.8 million tons simply through investing in efficiency and clean heat programs. For every dollar invested in low-income weatherization and efficiency efforts, approximately \$2.50 is returned to the household and the community." (VPIRG)

Vermont homeowners now have an economical choice when it comes to heating their homes with cold climate air source heat pumps. This highly efficient technology can be easily installed to supplement existing heating sources and provide air conditioning during the summer months. Homeowners can substantially reduce the cost of heating their homes, and offset electricity usage through participation in an individual or community scale solar project. As electricity rates inevitably go up, so does the value of the net-metering credits from the solar panels. The combination of air source heat pump and solar electric panels can reduce energy costs well below gas service, even reduce costs down to zero!