Are Appalachian Pipelines Being Built to Increase Exports?

March 13, 2018 Amy Mall

There are at least 15 massive new fracked gas pipelines planned or under development in the Appalachian region, with more proposed for other regions. These new pipelines are expected to lead to enormous increases in fracking and new threats to clean air, clean water, and the climate. They would also increase consumer costs and the use of eminent domain, whereby pipeline companies are allowed to seize private property from individual Americans. Even if a pipeline has not been proven necessary, and even if it ends up transporting gas for export rather than domestic use, the owners can make a guaranteed 14% profit, pass on their on their costs to consumers, and take land from families and farms.

The owners of most of these new proposed pipelines claim they will provide natural gas to domestic customers, but there’s no proven need for them, and most of them are designed to connect to four massive existing interstate pipeline networks that transport gas between the Northeast and the Gulf of Mexico region.

These four massive pipeline systems (Columbia, Tennessee, Texas Eastern, and Transco) were originally built to bring gas from the Gulf region north to areas that did not produce their own natural gas. But now that the Marcellus/Utica shale region of Appalachia has become a powerhouse producer of dirty energy, producing almost 30% of the nation’s natural gas, these pipelines can transport gas in the opposite direction, from north to south.
The US is the world’s largest natural gas producer. We produced **79 Bcf/d in 2017** while the total marketed natural gas consumption that year was only 74 Bcf/d.

Thanks to this abundant supply and the country’s move to clean energy, we are awash in excess natural gas, and prices remain at their lowest in many years. So, it’s no surprise that natural gas producers, owning the rights to colossal amounts of dirty gas that no one wants, are looking for new markets. One of the places they are looking is overseas.

To export natural gas, it is first transmitted to a facility where it is liquified into a product called liquefied natural gas (LNG). It is then shipped overseas, regasified, and finally pumped into another pipeline in the destination country. US LNG export terminals are being built along our coasts. There are currently two operating in Louisiana and Maryland and **four new terminals** under construction in Georgia, Louisiana, and Texas. Total U.S. LNG export capacity is scheduled to increase from 1.4 Bcf/d in 2016 to **9.5 Bcf/d by the end of 2019**.

But there are **21 additional LNG export facilities** proposed for the lower 48 and under review at the U.S. Department of Energy. If approved, these facilities would export more than 32 Bcf/day—about 40 percent of the natural gas produced each day in the US in 2017.

LNG export terminals need pipelines to bring them natural gas. That’s where new pipelines come in.
Pipeline storage yard in West Virginia

T. Paige Dalporto

Four proposed pipelines would connect with the Transco pipeline: Atlantic Coast, Mountain Valley, Atlantic Sunrise, and PennEast. Transco brings gas directly to places where export terminals exist or are planned, including Maryland, Georgia, and the Gulf. The Mountain Valley pipeline owners have said that some of its gas may be exported to India. The Atlantic Sunrise pipeline is planned to deliver gas to the Cove Point LNG export terminal in Maryland.

Five new proposed pipelines would connect with the Columbia network, designed to transport gas to export terminals in the Gulf: Rover, Leach Xpress, Rayne Xpress, Mountaineer Xpress, and Gulf Xpress.
Two would connect with Tennessee Gas: Constitution and Northern Access.

Some pipelines have attempted to prove they have domestic customers by producing contracts with corporate affiliates—but such contracts don’t offer that proof. And once these pipelines are in operation, it’s impossible for the public to determine how much of the gas is ending up at LNG export terminals. While pipeline companies have to post their flow data, it’s very arcane and companies can post the data in different formats. Only industry number crunchers with sophisticated proprietary models can figure out where gas is flowing.

An industry executive recently summed this issue up, stating that, when it comes to where future natural gas production will end up, “…exports are key for everything…”
America already has more than 300,000 miles of natural gas pipeline capacity, and it's been documented that there is plenty of excess capacity on our natural gas pipelines. We are awash in pipelines as well as in gas. No one has proven that we need more pipelines for domestic use. Yet the Federal Energy Regulatory Commission keeps rubber stamping more pipelines. Of approximately 400 pipeline applications since 1999, FERC has rejected only two.
Both state and federal officials should be scrutinizing any new pipeline proposals much more closely, before they permit pipelines that threaten drinking water supplies, destroy sensitive ecosystems, take people’s land, and increase costs for consumers. It’s time for new FERC policies that fully consider energy needs and health and environmental impacts when considering new pipelines, so consumers, communities, and landowners stop paying for gas industry profits.