

Comments to the New York State Public Service Commission 2/25/13

Case 12-G-0297 Proceeding on Motion of the Committee To Examine Policies Regarding the Expansion of Natural Gas Service

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The State Public Service Commission Case 12-G-0297 Proceeding on Motion of the Committee To Examine Policies Regarding the Expansion of Natural Gas Service is based on the premise that promoting the use of natural gas will benefit the citizens of our state. The premise is that natural gas is cleaner than other fuels, is cheaper and that there is an abundance of gas due to new sources of supply. I believe the PSC is doing a tremendous disservice to taxpayers by choosing to position the gas build-out as a positive solution to our energy needs. The technical conference and comment period are an opportunity for the PSC to evaluate the pros and cons and should NOT be considered a method of justifying the gas build-out. The purpose of the technical conference and comment period should reflect the PSC's statement on p.2 of the Order Instituting Proceeding and Establishing Further Procedures (Nov. 20, 2012) **"to examine whether we should take steps to foster its use through expansion of the natural gas delivery system or otherwise."** I am a taxpayer and a citizen and I am deeply concerned that the premise of these proceedings are predetermined and that the Commission is supporting an agenda that is advanced by the oil and gas industry rather than truly evaluating the full effects of expansion of infrastructure on the long-term health and well-being of our citizenry. Exemptions from federal statutes due to Congress' passage of the Energy Policy Act of 2005 have enabled the gas and oil industry to expand its use of extreme fossil fuel extraction without having to be responsible for all externalities. The Commission should take this opportunity to fully vet all the concerns expressed by the public citizens and enable the concerns of the people to receive full consideration.

I would like to address the questions issued at the technical conference.

1) Please explain your understanding (and for utilities, your implementation) of Commission regulations and the Natural Gas Expansion Policy including your views on whether they encourage or deter expansion of the natural gas delivery system in New York State? Do you feel that the Commission regulations and Policy should be modified and if so, how?

I believe the Commission has focused too much on what they claim will be the positive economic benefits for an expansion of the gas infrastructure rather than doing an evaluation of the long-term benefits to our state that might result from

development of renewable energy. Gas extraction and the infrastructure needed to support it encourage the increased use of water at a time when droughts and unusual climate events demonstrate the need to protect and preserve New York's precious water resources. Hydraulic fracturing required 2-8 million gallons of water per frack and this water is laced with toxic chemicals that are exempt from disclosure. The wastewater that results from fracking operations contains NORM which includes radium-226 and radium-228 and there is no safe disposal method. If the DEC issues a Beneficial Use Determination, the waste from low volume wells (there are over 6,000 operating in NYS now) is permitted to be spread on roads in parts of our state. Landfills in parts of upstate are receiving drill cuttings and waste from Pennsylvania and that would only increase if fracking were to be permitted in New York. Furthermore, the Commission is not considering the effects of the further development of gas infrastructure, pipelines and compressor stations on the air quality in New York. One 12,260 horsepower compressor station that is in the process of being built in Minisink, Orange County, NY will emit thousands of tons of dangerous carcinogens and neurotoxins in an area of New York that is already a non-attainment zone for ozone and particulate matter. Some of the air emissions which will spew from the stacks within ½ mile from 200 homes include: deadly BTEX chemicals, formaldehyde and polycyclic aromatic hydrocarbons, plus over 60,000 tons of methane per year. The noise pollution from this one compressor station would cause ear damage and long-term health problems for the residents, some of whom are 9/11 responders who moved to the community to escape the bad air quality of Lower Manhattan.

2) Regarding the Commission's regulations of the natural gas delivery system, and the system itself, do you believe that the interests of utility shareholders, ratepayers, and the State as a whole are aligned? Please explain.

All ratepayers, shareholders and the State as a whole must join together to push for a higher Renewable Portfolio Standard and for development of wind and solar power that will provide long-term economic benefits to our State. New York can be a leader in this effort and the Commission should be encouraging all New Yorkers to join in this effort.

3) Are there provisions of current policies or regulations that appropriately incentivize the expansion of natural gas delivery in New York State? Are these sufficient? If not, please suggest alternatives.

The current policies and regulations are erroneous because they are based on a master plan (the Governor's New York Energy Highway Blueprint) to build more gas-fired power plants which requires more pipelines and compressor stations to

deliver fracked gas to New York and beyond. Superstorm Sandy devastated many parts of New York in October 2012, as did Hurricane Irene and Hurricane Lee in 2011. The Commission is foolish to embrace and expand fossil fuels at this time and this runs counter to Governor Cuomo's statements about fighting climate change. The methane emissions from the full lifecycle of shale gas extraction will exacerbate climate change.

<http://www.bloomberg.com/news/2013-02-05/greenhouse-gas-emissions-fall-in-u-s-power-plants-on-coal-cuts.html>

<http://www.nature.com/news/methane-leaks-erode-green-credentials-of-natural-gas-1.12123>

Methane is at least 20 times more potent as a greenhouse gas than CO₂; therefore, the Commissions' policies should be altered to incentivize conserving energy and cutting back on dependence on all fossil fuels and promoting a conversion to renewable energy.

4) Identify current barriers inhibiting conversion to natural gas usage from other heating fuels – other than the cost of replacing heating equipment. Please explain how the barrier inhibits conversion and provide suggestions for removing or eliminating the barrier – including the cost of replacing heating equipment.

One of the major barriers to conversion of fuels is the Commission's misinformation campaign promoting erroneous policies of embracing conversion of oil furnaces to gas furnaces. This policy may be a short-term economic benefit to the rate-payer while gas prices are low, but it will be a boon to the oil and gas companies when the gas is exported overseas and the price is set by the world market. To add insult to injury, prices will rise and the gas infrastructure expansion with its pipelines and compressor stations will carry radon-laced fracked gas to buildings in NY. Radon is second leading cause of lung cancer in non-smokers and the Marcellus Shale is highly radioactive; therefore, policies to convert furnaces to natural gas are a huge health risk and the Commission should factor in the actual costs to society and the taxpayers when evaluating this policy.

<http://gdacc.org/2012/01/10/radon-in-natural-gas-from-marcellus-shale-by-marvin-resnikoff-radioactive-waste-management-associates/>

The American Academy of Pediatrics recommend that a moratorium on fracking be instituted due to the many detrimental health impacts, including exposure to radon: <http://aapdistrictii.org/update-on-hydrofracking/>.

The Commission should recommend that renewable energy sources, such as solar and wind, be promoted for the long-term benefit of New York's health and economy.

5) Please identify the outreach and education efforts currently employed by the utility for the purposes of gauging interest in natural gas service and/or soliciting new customers in areas where interest in the possibility of obtaining service has been expressed. Are the efforts sufficient? Would expanded or improved outreach and education programs increase conversions to natural gas by customers who reside within the 100 feet zone of existing utility infrastructure (and, accordingly, would not pay for the extension)? How can the utility identify, communicate and engage with such customers? When an individual customer requests service, please describe the utility's efforts to communicate with or solicit other customers in the neighborhood area.

I am a taxpayer citizen and I do not want to have my tax dollars used to promote the use of shale gas ("natural" gas). The outreach efforts of the Commission should be used to promote renewable energy and conservation.

6) Please identify the flow of communication and information between the utility and a customer requesting service that would require an extension of the gas main sufficient to require a surcharge. Please provide any examples of written communication.

N/A

7) What issues should be given consideration prior to the expansion of the natural gas delivery system? Should such considerations include protections for a group or groups of customers?

Both long and short-term health considerations from the expansion of gas infrastructure should be examined. Furthermore, safety concerns must be studied and the costs fully analyzed and factored into the decision. I have already provided information about my concerns regarding climate change due to methane emissions and my concern due to radon being carried through pipes to apartments and homes, as well as my concerns about water depletion and contamination.

Pipelines are inherently dangerous. According to ProPublica www.propublica.org/article/pipelines-explained-how-safe-are-americas-2.5-million-miles-of-pipelines, "since 1986 pipeline accidents have killed more than 5,000 people, injured over 4,000 and cost nearly \$7 billion in property damages... Pipelines break for many reasons – from the slow deterioration of corrosion to

equipment or weld failures to construction workers hitting pipes (<http://www.call811.com/>) with their excavation equipment.”

There is inadequate staffing to monitor the 2.5 million miles of already existing pipelines. In Class 1 areas with low population density, there is NO monitoring required. These pipelines are accidents waiting to happen, as we have seen in San Bruno, CA, Sissonville, WV and most recently in Kansas City, MO. The most egregious plan for New York is the Spectra pipeline which would carry fracked gas to the West Village/Chelsea area of New York City in a highly densely populated area putting millions at risk.

8. Are there existing utility specific pilot programs focused on new approaches to line extensions or new franchise expansions of the natural gas delivery system? If so, please describe the pilot program. If not, could such a pilot program be beneficial and, how would it be designed?

There should not be any additional pilot programs to promote further expansion of gas infrastructure.

9. The Commission’s regulations (§230.2[f]) provide that “each corporation may, in its tariff schedules, extend such obligation [to provide certain main and service line extensions without cost to the customer], to the extent the provision of additional facilities without charge is cost-justified.” Identify whether the utility ever provides residential customers with more than 100 feet of gas main or service line without surcharge. Please explain why and under what circumstances or, if never, why not. Is the utility aware of any geographic areas in its service territory where potential cost justified extensions of greater than 100 feet are currently un-served? If not, has the utility ever attempted to ascertain or develop such information? What should be the appropriate length of main and/or service provided without surcharge? Please explain

9. I don’t believe there should be additional ways to incentive extending service. Many people would prefer not to have a dangerous gas pipeline in their area.

10. Does the utility provide programs that could assist low income customers or those on a fixed income to overcome the barriers to conversion to natural gas?

10. Provide incentives for conservation and home improvements to improve efficiency and for conversion to renewable energy.

11. Are there potential funding mechanisms for expansion of the natural gas delivery system other than through utility rates or direct customer payments (surcharges, CIACs or other)?

11. Why should rate-payer fund expansion when many of us disagree with expansion of gas infrastructure? This should not cause increased rates – what nonsense.

12. *Are existing natural gas efficiency programs adequate and optimal to serve the expansion of customers within 100 feet of existing utility infrastructure? If not, what changes, including possibly the level of funding, could be made to improve the existing efficiency programs? Would efficiency programs targeted to conversion customers result in increased energy savings, and if so, how?*

12. The PSC should be looking at ways to create efficiencies in homes, not by adding more gas infrastructure.

13. *Do Revenue Decoupling Mechanisms (RDMs) impact expansion of the natural gas delivery system?*

13. RDM's should be used to expand non fossil-fuel, renewable energy sources, rather than promoting expansion of gas infrastructure.

14. *Does the utility have any information or estimates concerning the existence of commercial or industrial customers who may add and/or retain jobs if they could switch their process or heating fuel to natural gas? If so, how many jobs might be added or retained?*

The Commission should be doing a thorough analysis of the net job gains from the gas infrastructure expansion vs. the net gains through long-term commitment to renewable, sustainable energy sources. The short-term creation of jobs building pipelines, compressor station and gas fired plants will benefit mainly out-of-state workers. I was in Milford, PA a few days ago to support the community as they oppose the expansion of the Tennessee Gas Pipeline Upgrade Loop 323 which is cutting a swath through old-growth forest and will put the pipeline near schools, a nursing home and homes. The license plates of the workers' trucks were Wisconsin other states, but none were from PA or nearby NJ. The socio-economic analysis will prove that these are dangerous, short-term jobs and there is not a long-term net gain. Extractive communities see worse outcomes in the long-term and the entire shale gas extraction process will not result in long-term job growth.

http://www.catskillcitizens.org/learnmore/Barth_Lecture_Excerpt_April_2012.pdf

15. Are there specific industries in the State that would benefit from an expanded natural gas delivery system? Please describe.

15. The gas companies and utility companies may see gains in their business, but there are far more businesses and citizens who will be negatively affected by expansion of shale gas. (see study above by Dr. Jannette Barth). Far more gain would be seen from expansion of renewable energy sources that create long-term jobs and preserve the environment and health of New Yorkers.

Public/Private Partnerships

16. Are there potential partnerships between various entities involved in the energy and heating markets in New York State that could facilitate expansion of the natural gas delivery system? If so, please provide examples and whether your organization would be willing to take part in such a partnership. Who would be best suited for encouraging and developing such partnerships? What role should the public sector play?

16. There are potential partnerships in the energy and heating markets that could facilitate the expansion of renewable energy projects. For example, solar companies will pay for the installation of the panels and lease them to the companies or municipalities so that they can see reduced cost and even sell extra power back to the energy company. That is a long-term energy plan that benefits everyone.

17. Are there programs currently administered by utilities or federal, state or local agencies that assist customers with heating fuel conversions? Are there roles that other agencies, such as the New York State Energy Research and Development Authority (NYSERDA), should play in expansion of the natural gas delivery system? Should the Energy Efficiency Portfolio Standard (EEPS) programs be expanded or modified to encourage conversions to natural gas before end-of-life replacements?

17. NYSERDA has programs to encourage solar projects and to weatherize and add efficiencies to homes. The Renewable Portfolio Standard (RPS) for New York should be increased as it has been in other states and other countries where there has been successful investment in renewable energy. We should look to Germany for a model and even to Morocco and other mideastern countries that recognize that fossil fuels are a road to nowhere. The Commission should promote renewable energy, not another fossil fuel expansion that will only benefit oil and gas companies.

18. Are there opportunities to coordinate natural gas delivery system expansion projects with other available resources, such as economic development, energy efficiency, or environmental protection? Please provide specific examples, if possible.

18. There should not be any promotion of gas expansion projects. Gas is not a bridge fuel and our state and our nation are being duped into believing this is a good path. The gas will be exported and it will hurt manufacturing in the U.S. and all consumers, as well as causing us to become an extractive colony when our water and air are irreparably damaged.

19. Are there changes that could be made to the environmental impact review process involved in granting or expanding gas franchise areas that could improve or streamline the process?

19. The process of reviewing environmental (and health) impacts should NOT be streamlined. A fully review of all impacts on air, water, soil, economy and health should be examined thoroughly. We only need to look across the border at Pennsylvania to see what the expansion of gas infrastructure has done to that state where regulations are lax and oversight is minimal. New York can and should do better by not expanding the use of natural gas, but rather by promoting and expanding renewable energy.

20. Please identify, if any, areas of the State where provision of natural gas delivery service is unrealistic because of environmental constraints, construction permitting requirements or other factors and explain why service to such areas is believed to be unrealistic. Are there any areas of the State that require special consideration regarding expansion of the natural gas system?

Every inch of New York State deserves equal protection from degradation. We have the best fresh water supply in the world. We have old growth forests and state parks and recreation areas. We have agricultural gifts which are being utilized to an even greater extent as organic farming, dairy farming and wineries are being expanded each day to meet a growing demand. New York must embrace sustainable energy practices that do not degrade any of our resources or put our citizens in peril. The economic costs of developing and promoting shale gas are too great. Governor Cuomo's Energy Highway should be modified to exclude additional gas pipelines, compressor stations and gas-fired plants and should focus on a full commitment to renewable energy. We can lead our nation and our country into a fossil-fuel free future where we are truly energy independent, clean and safe.