



## FACTSHEET

# THE CASE AGAINST THE ATLANTIC COAST PIPELINE

NOVEMBER 2018

**FROM HIGHER ELECTRIC BILLS TO CONFISCATED PROPERTY TO ENVIRONMENTAL DEGRADATION, THE ATLANTIC COAST PIPELINE IS AN UNFOLDING DISASTER FOR VIRGINIANS - BUT A CASH COW FOR DOMINION.**

### Bad for Virginia's Consumers and Businesses

- The Atlantic Coast Pipeline (ACP) is a 600-mile pipeline system owned and operated by a subsidiary of Dominion Energy, covering West Virginia, Virginia, and North Carolina.
  - The ACP is projected to cost upwards of \$6 billion to build and could easily exceed those costs.
- The \$6 billion cost of the ACP will ultimately be paid by Dominion ratepayers, with independent analysis showing it will cost ratepayers **on net \$3 billion over 20 years**--even taking into account the benefit Virginians might potentially receive from that natural gas if sold to them.
- Why the high cost to ratepayers?
  1. The vast majority of natural gas will be sold outside of Virginia or overseas, if not all of it. We pick up the infrastructure costs, the energy goes elsewhere, and Dominion's investors get the profits.
  2. The Federal Energy Regulatory Commission (FERC) guarantees Dominion Energy and its investors a 14% rate of return on its equity in the pipelines.
    - That's right, Dominion and its investors are **guaranteed** billions of dollars no matter what.
    - These pipelines could never sell a single unit of energy, and ratepayers would be on the hook for billions--up to **\$2,330 for every ratepayer in Virginia.**
  3. Demand for electricity in Virginia has been flat since 2010, according to Governor Northam's 2018 Energy Plan and Dominion's own regulatory filings.
    - At no point has Dominion ever proved that these pipelines are necessary for Virginia's ratepayers and to keep energy prices low.
  4. Both pipelines involve corporate self-dealing--where the buyer and seller of the natural gas are essentially the same entity.
    - This means that the gas will be "sold" no matter what, allowing for utilities to force ratepayers to cover the costs at guaranteed rates of return.
- Add it all up, and you get guaranteed higher energy bills for Virginia's ratepayers and guaranteed higher profits for Dominion's shareholders. **That's a massive tax on household, businesses, and anyone else in Dominion's service territory in Virginia.**

### Bad for Virginia's Property Owners and Their Safety

- Property owners in the pipeline's path have had their property seized under eminent domain.
  - Normally, eminent domain is used in the rarest of circumstances for a public need, but in this case, private land is being seized and transferred to another private interest: Dominion and its investors.
- Businesses that rely on tourism and hospitality are likely to suffer tens of millions of dollars in losses, as well as losing all the jobs and economic activity normally associated with that land.
- Safety is also a major problem: from 2015 to 2017 alone, there were 33 fatalities and 167 serious injuries during 939 separate accidents involving natural gas pipelines, according to the **Pipeline and Hazardous Materials Safety Administration (PHSMA)**.
  - That doesn't even include the over \$930 million in property damage over that time, with a further \$875 million in property damage in the first 10 months of 2018 alone.
  - **That's nearly one accident costing \$2.5 million in damage every single day in America.**
- Worse yet, there's nothing in the law that requires pipeline operators to fully compensate and make property owners whole if something happens.
  - Property owners are bearing all the costs and seeing none of the benefits or protections that should be owed to them.

### Bad for Virginia's Environment and Quality of Life

- No pipeline has ever been built in such risky geological conditions as the ACP.
  - The Atlantic Coast Pipeline route runs over steep mountainous terrain in the Appalachian mountains.
  - Dominion is running a dangerous, unprecedented experiment in our backyard.
- The routine environmental damage from these pipelines is sprawling. This includes:
  - Erosion and runoff, which can cause landslides and alter stream paths.
  - Contamination of drinking water.
  - Toxic air pollution that is potentially carcinogenic or leads to respiratory, developmental, or cardiovascular health problems.
  - Loss of habitat, particularly for native fish and endangered species.
  - Loss of trees and other natural vegetation.
  - Degradation of scenic view and trails.
- Air, soil, and water quality permits have been **consistently revoked** due to pipeline operators' often substandard building and siting practices.
- Even beyond routine pollution, accidents are inevitable, which pose major threats to drinking water and clean air to Virginia's entire ecosystem.
- Governor Northam's Advisory Council on Environmental Justice formally endorsed suspending air and water permits for the ACP due to concerns that **Virginia's communities of color were being unduly and unfairly burdened.**
- An example of this unfair burden is the current plan to build a compressor station in the historic African-American community of Union Hill in Buckingham County, which would emit harmful air pollution.