



Connecticut  
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**Testimony of Steve Guveyan, Connecticut Petroleum Council, in Opposition to SB-332,  
the Bill Eliminating Natural Gas Pipeline Options for Connecticut**

The Connecticut Petroleum Council/ API is a trade association of major oil companies, refiners, exploration and production companies, pipelines and others in the oil & natural gas business. We oppose SB-332 because: (1) it eliminates the state's ability to issue interstate natural gas pipeline Requests-for-Proposals; and (2) it eliminates the ability for the Department of Energy & Environmental Protection Commissioner to direct electric utilities to sign long-term contracts for natural gas transportation capacity---pipelines which are needed to provide reliable electric service and to meet the state's energy and environmental goals. There is clear need for new pipelines in Connecticut and New England from both large dual-fueled (oil & gas) end-users as well as from the power-generation market. The existing statute (Sec. 16a-3j) allows Connecticut--in conjunction with other states in the ISO-NE region---to issue solicitations and to sign contracts for interstate natural gas pipelines. Eliminating this ability is short-sighted and could hamstring DEEP, preventing it from effectively accomplishing its mission---making, cheaper, cleaner and more reliable energy available for the people and businesses of the state. We urge the statute be left as is---and the bill rejected---for the following reasons.

Connecticut should not pick winners and losers in the energy business. The bill allows many Requests-for-Proposals and contracts for different fuels and efficiency measures such as LNG, energy storage, and conservation and load management programs to go forward, but discriminates sharply against natural gas by eliminating interstate gas pipelines from the future energy mix. Barring pipeline expansion will inhibit future economic growth by jeopardizing the energy security and reliability that natural gas provides---attributes prized by large employers.

An all-of-the-above approach to energy supply works best. Natural gas, LNG, renewables, nuclear and oil are all needed. Yes---even oil is critical, as evidenced by the brutal January cold snap when 2 million barrels were used in the power sector within 15 days in order to keep the lights on. Over the course of a year, oil accounts for only 1% of the power generation mix in New England, but during the cold snap it generated over 33% of the region's electricity, proving to be a superb shock-absorber when weather gets abnormally cold. In short, all fuels are needed, and no fuel source should be barred from competing or expanding as this bill proposes to do.

There is very strong demand for natural gas in New England---as evidenced by reports from electricity grid operator ISO-New England, New England States Committee on Electricity (representing the governors of each of the 6 New England states), the New England Coalition for Affordable Energy and others---but not nearly enough pipeline capacity to deliver it. Big end-users that can burn either heating oil or natural gas---so called dual-fuel customers---have a particularly sharp need for more natural gas: they get knocked off the system when cold snaps hit

because there just isn't enough pipeline space to accommodate their needs. During the recent cold spell natural gas prices in New England were the highest in the country---a sure-fire sign more capacity is needed.

There is a renewed push underway in New England to expand natural gas pipeline capacity to meet that demand. It's important that Connecticut be part of that solution and not statutorily barred from moving ahead, which is what this bill proposes to do. A lengthy just-published Boston Globe editorial---which also applies to the debate in Connecticut---is right on point and captured the debate succinctly:

- “The environmental movement needs a re-set, and so does Massachusetts policy. The real-world result of pipeline absolutism in Massachusetts this winter has been to steer energy customers to dirtier fuels like coal and oil, increasing greenhouse gas emissions. And the state is now in the indefensible position of blocking infrastructure here, while its public policies create demand for overseas fossil fuel infrastructure like the Yamal [Russia] LNG plant—a project likely to inflict far greater harm to the planet.
- Said Ernest J. Moniz, the former U.S. Department of Energy Secretary in the Obama administration, quoted in the same editorial: ....”For New England, expanding the pipeline capacity from the Marcellus”---the area of shale gas production in Pennsylvania--“makes the most sense.” “Life cycle emissions for LNG imports to Boston certainly are higher than they would be for more Marcellus gas.” See The Boston Globe editorial published on February 13<sup>th</sup> for more detail, at:  
<https://www.bostonglobe.com/opinion/editorials/2018/02/12/our-russian-pipeline-and-its-ugly-toll/K0wQ7FBTGR756DqorYkwxN/story.html>

Stated differently, building natural gas pipeline capacity will help grow Connecticut's economy while simultaneously minimizing greenhouse gas emissions. If Connecticut and New England want to grow in the decades ahead, that will require more energy, especially natural gas---an abundant, low-carbon, low-greenhouse gas emitting, easily-transported, domestically-produced fuel, much of which comes from Pennsylvania, only 250 miles away. Carbon emissions in the power sector are at near 25-year lows, due largely to the growth of natural gas production. We think that is a sound and worthwhile approach.

Finally, electricity grid operator ISO-NE recently said that in 19 of 23 scenarios (82%), there is a threat of forced rolling blackouts by 2024-2025 during peak winter-time demand. Those are events that should be avoided at all costs; expanding natural gas pipeline capacity will help prevent that from happening. Eliminating the ability of DEEP to contract for more natural gas pipeline capacity will take a pipeline expansion option completely off the table, leaving Connecticut exposed to seeking more expensive and less-effective solutions to prevent blackouts.

Thank you for taking our testimony against SB-332 which largely eliminates the opportunity for natural gas pipeline expansion. Please do not hesitate to call if you have questions or comments. Thank you.