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PennEast Hypes Pipeline's Consumer Benefits in New Report *Report Contradicts Same Firm's Report Commissioned by Philly*

The PennEast Pipeline Company issued a new report today that exaggerates the consumer benefits of their proposed pipeline, much in the way the report they commissioned last month hyped economic benefits. Concentric Energy Advisors, a Massachusetts-based consulting firm commissioned to prepare the analysis, is the same firm that Philadelphia City Council paid at least \$425,000 to analyze the proposed sale of PGW, the city's gas works. That report referred to "caveats" with the PennEast pipeline and the Diamond East, a pipeline proposed by Williams.

According to the analysis presented to the City Council:

First, even though current futures prices indicate that Marcellus prices are likely to remain low, as new pipeline capacity is developed that allows Marcellus gas to reach new markets, the Marcellus prices are likely to eventually increase (and basis differentials relative to the Gulf Coast decrease). This will decrease the potential benefits to PGW's sales customers from a new pipeline that connects the Marcellus to the Philadelphia market area.

The glaring contradiction between the reports is just one of the problems. Community groups and environmental organizations opposing the PennEast pipeline noted flaws with today's report.

"PennEast has done it again," said **Sam Koplinka-Loehr, shale gas organizer with the Clean Air Council**. "The company continues to cherry-pick facts. For one, PennEast highlights high gas and electricity prices from a few days in the 2013-2014 winter rather than looking at regional trends. If they chose the 2014-2015 winter instead, the entire argument goes up in smoke as gas prices in this region only went above \$10 per million British Thermal Units once this winter according to Natural Gas Intelligence. Furthermore,

in the past three months alone, FERC has approved an additional 835,000 dekatherms per day of gas capacity to Eastern Pennsylvania and New Jersey along the Columbia and Transco lines. This is just shy of what PennEast would carry and was completely ignored in the report. The bottom line is that the report missed the point that PennEast is unnecessary and a horrible misuse of billions of dollars.”

“A hint of desperation is in the air, maybe more than a hint,” said **Karen Feridun, Founder of Berks Gas Truth**. “Two reports in two months that are hyperbolic, to put it politely, suggest that PennEast knows it’s not winning public approval.”

“The new claim by PennEast is more hot air. The consumer savings are false assumptions since the price of natural gas is set by the overall market, not just in one area. There will not be a reduction in price since natural gas is a commodity and the price is set nationally. Also, there are other pipelines coming on line bringing gas to the region including TGP, Columbia, and Transco. PennEast’s report does not even take those other pipelines into account,” said **Jeff Tittel, Director of the New Jersey Sierra Club**.

“New Jersey plants were already burning gas and the additional electrical costs were based on peak demand, not on gas availability. There is no guarantee the gas from this pipeline would stay here. It could just as easily be exported from the Cove Point LNG Terminal in Maryland. This report is about as accurate as the phony PennEast-Drexel University report paid for by PennEast to professors with a conflict of interest. The reason PennEast keeps spinning with reports is because the public opposes this pipeline. This pipeline is unneeded, unnecessary and unwanted. We need this destructive pipeline like we need another flood,” said **Tittel**.

“The Concentric study is flawed in its assumptions. It bases its numbers on the WHOLE STATES of Pennsylvania and New Jersey, not just on the parts served by Penn East. According to the study, in the last 5 years, demand has gone up in the whole region of PA and NJ only about 1/3 of the capacity of the Penn East Pipeline. Additional pipelines approved since that time have already met that demand. This is an example of how PennEast can manipulate statistics to suit its own purposes. How about a study that shows how prices have dropped and the gas industry has cut back on production since last year?” asked **Nancy Wilson, Holland Township Concerned Citizens Against the Pipeline**.

“The US consumer of natural gas will never see their utility bills be more affordable by any pipeline built. Pipelines are simply a way to facilitate the export of this commodity. By now we know that is the endgame here. With five bills just delivered to Congress that would expressly facilitate and streamline the process of exporting our natural gas to other countries, there can no longer be any doubt of this. And just like milk prices which soared

in the U.S. last year because of increased demand by foreign markets, so too will gas prices rise once the industry moves to export. Except that LNG is a much more damaging export than milk. Pennsylvania and other states with shale deposits will have their lands destroyed, their water compromised and their citizens sentenced to live in an extraction colony, all the while not receiving one ounce of benefit from any pipeline. In PennEast's case PA and NJ will assume all the risk, private corporations rake in the profit, and our children will have to clean up the mess that is left behind," said **Elizabeth Balogh, Founding Member of Concerned Citizens Against the Pipeline.**

"The only thing that will truly "change the game" is sustainability. Any energy "savings" from PennEast's proposed natural gas line can be countered by the immeasurable damages done to our earth, water, and air. Why risk such a compromise. Rather than continue to invest in energy sources that do more harm than good, choose to divest from this fossil foolishness today, and protect our precious aquifers from the inevitable harm that furthering such fossil fuel infrastructure will do," said **Arianne Elinich, Founding Member of Bucks County Concerned Citizens Against the Pipeline.**

"PennEast execs must not have fared so well in math class, as they continue, with this report, to look at only one side of the equation (sadly, having trouble even with that). Surely they must eventually issue a massive report showing the overwhelming environmental, human, business, monetary and societal costs of the project, none of which have they yet mentioned. Perhaps they're waiting on a special shipment of paper?" asked **Kim Robinson, Hopewell Township.**

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