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Kimberly Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Subject: Docket No. CP15-558-000
PennEast Pipeline Project
PennEast Pipeline Company, LLC

Dear Secretary Bose:

The American Petroleum Institute (API) represents all aspects of America's oil and natural gas industry. Our more than 640 corporate members come from all segments of the industry and include producers, refiners, suppliers, marine transporters, as well as service and supply companies that support all segments of the industry. Our membership also includes a number of companies that develop, construct and operate natural gas pipelines as well as marketers and shippers that subscribe to these pipelines in order to move product to market. Therefore, API is greatly interested in the continued development of natural gas infrastructure to improve public access to this important resource.

As the Commission is well aware, America is in the midst of an energy revolution. The benefits derived from America's oil and natural gas industry are vast and undeniable. The U.S. is now the world's top producer of natural gas¹ – currently producing over 74 Bcf/d.² Our nation's supply of this resource is enormous and readily available for decades to come thanks to continuing technological advances in accessing and extracting these resources.³ The abundance of this resource, as well as its affordability, reliability and flexibility has allowed the country's consumers to reap tremendous benefits:

¹ EIA, Today in Energy, "United States remains largest producer of petroleum and natural gas hydrocarbons," May 23, 2016.

² EIA Short-term Energy Outlook, May 10, 2016

³ According to a recent study by IHS, utilizing today's technology, approximately 1,400 Tcf of natural gas is recoverable at a current break-even Henry Hub price of \$4/MMBtu or less. IHS, "Shale Gas Reloaded: The Evolving View of North American Natural Gas Resources and Costs." February 2016, <http://press.ihs.com/pressrelease/north-americas-unconventional-natural-gas-resource-base-continues-expand-volume-and-de>.

- Power generators are increasingly turning to natural gas a low-cost fuel source – providing 33% of the power consumed in the U.S. in 2015, as much as coal and more than nuclear and renewable sources.⁴ Gas demand growth in the sector is expected to increase by 44% from 2015 to 2040.⁵ Greater utilization of natural gas for power generation has helped greatly reduce air pollution and greenhouse gas emissions.⁶ Further, the flexibility of natural gas-fired generation – for instance, its ability to quickly respond to fluctuation in electricity demand – is helping enable increased use of intermittent energy sources like wind and solar.
- Industrial demand for natural gas is also growing – over 20% since 2009.⁷ The manufacturing sector is making significant investments in the U.S. to expand operations in order to take advantage of the U.S.’s supply leading to increased job growth and tax revenue.⁸
- A number of pipeline projects are being developed to enable natural gas exports. Multiple studies have shown that increasing LNG exports will have significant benefits including creating more than 450,000 new American jobs and adding up to \$73.6 billion in economic activity.⁹ Besides, economic benefits, increased exports will also help reduce global air emissions¹⁰ and enhance national security.

Pipeline projects themselves also provide significant economic benefits. The latest forecasts show that over the next 20-years approximately 23,000 miles of new transmission infrastructure will be required to meet demand in North America.¹¹ This development (including other oil and gas infrastructure projects) will create over 300,000 jobs per year. The resulting addition to GDP (including employment wages and benefits, state and local taxes, and federal taxes, etc.) derived from these investments is more than \$758.1 billion.¹²

⁴ EIA, Electric Power Monthly, March 2016.

⁵ EIA, AEO 2016

⁶ Researchers at the National Oceanic and Atmospheric Administration (NOAA) found that the increased use of natural gas in power generation has led to 40 percent fewer NOx emissions and 44 percent fewer SO2 emissions since 1997. J.A. de Gouw, et al. 2014. “Reduced emissions of CO2, NOx, SO2 from U.S. power plants owing to switch from coal to natural gas with combined cycle technology,” Feb 21, 2014.

⁷ EIA, https://www.eia.gov/dnav/ng/NG_CONS_SUM_DCU_NUS_A.htm

⁸ According to the American Chemistry Council, “more than \$130 billion dollars of new investment in chemical manufacturing capacity has been announced (since 2010) to be put in place over the next decade.” American Chemistry Council, “The Rising Competitive Advantage of U.S. Plastics,” May 2015.

⁹ ICF, U.S. LNG Exports: Impacts on Energy Markets and the Economy, May 15, 2013

¹⁰ DOE, Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas from the United States, May 29, 2014.

¹¹ ICF, North American Midstream Infrastructure Through 2035: Leaning into the Headwinds, April 12, 2016.

¹² *Id.*



Regarding the PennEast Pipeline Project, the pipeline is being developed to expand market access and alleviate pipeline constraints in the Northeast where there is a rapidly growing demand for natural gas for power generation, manufacturing, and residential use. The project will also create a significant number of jobs and generate millions of dollars in wages and tax revenue.¹³

Enhancing our nation's natural gas delivery system is the key to ensuring that the benefits of this tremendous resource are maximized and available to all.

It is for these reasons that API supports this project and the other projects before the Commission and encourages the timely consideration and approval of the project's application.

Sincerely,

A handwritten signature in black ink that reads "Robin Rorick".

Robin Rorick
Group Director
Midstream and Industry Operations
American Petroleum Institute

¹³ A study conducted by Econsult Solutions determined that PennEast will have a \$1.62 billion positive economic impact, supporting approximately 12,000 jobs with an associated \$740 million in wages.