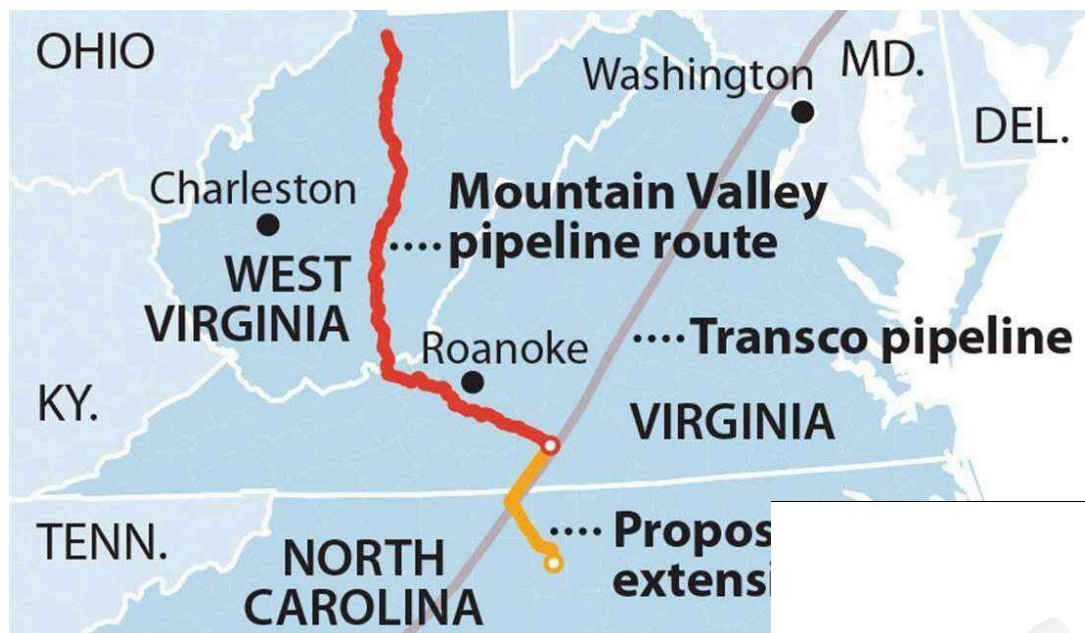


REALITY  CHECK

Pipeline company seeks a shorter NC route with more natural gas. What does that mean?

By Adam Wagner

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The controversial MVP Southgate project would start in Chatham, Virginia, before entering in Rockingham County. *Courtesy of IEEFA.org*

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Opponents of a proposed pipeline that would bring natural gas from West Virginia to North Carolina are arguing that a plan to shorten that pipeline should trigger a renewed federal review of whether the project is needed.

Ten days after the Federal Energy Regulatory Commission granted a [construction extension](#) to 2026, MVP Southgate announced that it was shortening its route. The revamped Southgate route would be much shorter, with a 31-mile extension from the Mountain Valley Pipeline's endpoint in Pittsylvania County, Virginia, nudging into North Carolina in Rockingham County instead of a 75-mile pipe crossing Rockingham and ending in Alamance County, near Mebane.

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In the same Dec. 29 announcement, MVP officials said the revamped Southgate project would use a 30-inch pipe instead of an 18-inch pipe due to a new contract with an “investment grade utility customer” on top of an existing agreement with Dominion Energy’s Public Service Company of North Carolina.

The total capacity of the pipeline would increase from 375,000 to 550,000 dekatherms. That means the pipeline would provide as much gas as 27.88% of North Carolina’s total [natural gas usage](#) from 2022, including power generation, industrial use and residential use.

MVP did not name the other utility customer, but Duke Energy has plans to replace two of the four coal-fired power generating units it operates on Person County’s Hyco Lake with a gas-fired powerplant. Duke holds a monopoly on power generation in North Carolina.

“Access to this lower-cost natural gas will add reliability, p
stability for customers and help solve increasing operation
constraints,” Jennifer Sharpe, a Duke Energy spokeswoman
Observer in an email.

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Right now, the Transco pipeline is the only one that carries natural gas into North Carolina. There is no additional space available on that pipeline, and Duke would need to access additional gas to replace coal plants with gas-fired power plants.

Duke is pursuing an “all-of-the-above” approach to its future energy mix, seeking to build out solar power generation while also building new natural gas and nuclear power plants as it seeks to comply with the carbon dioxide reductions required under state law.

“Southgate will further enable coal plant retirements, promote the integration of more renewable energy resources, and address growing demand for incremental natural gas supply in the Carolinas, all of which will result in lower prices for customers and cleaner energy,” Sharpe wrote.

Congressional opposition

In a Jan. 19 letter to FERC, four Democratic members of the U.S. House of Representatives noted the likelihood that Duke is the [pipeline’s newest customer](#). Those representatives included Orange County’s Valerie Foushee and Greensboro’s Kathy Manning.

FERC, they argued, needs to reconsider its [2020 approval](#) of the pipeline, which was based on providing gas to Dominion’s commercial and industrial customers.

“Even though it will be shorter and no longer includes a compressor station that had been denied a permit due to significant environmental justice concerns, the increased capacity of the pipeline will mean a substantial increase in downstream greenhouse gas emissions,” they wrote. “These changes are significant, and the Commission’s prior public interest analysis for the Southgate Project is now outdated.”

The lawmakers pointed to Duke’s comments from when FERC was considering extending the pipeline’s construction request, which focused on the potential need for the pipeline to provide natural gas to power plants. Duke, they noted, was not a customer of MVP’s at the time the company made the comments.

“We believe that Mountain Valley’s redesigned Southgate Project goes beyond a set of modest changes to an existing certificate — it is a new pipeline, one with a different purpose and different environmental impacts, including an increased contribution to the climate crisis,” they wrote.

Burning natural gas releases lower amounts of carbon dioxide but also means emissions of methane, a shorter-lived but more powerful greenhouse gas.

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A different project?

The Sierra Club was part of a coalition of environmental groups that on Jan. 18 filed a petition with FERC asking it to strike the extension order because, they argued, the updated Southgate project is so different from the original proposal it needs to be

fully considered from scratch. That would mean FERC has to consider whether the natural gas is needed and whether the environmental harm caused by stream crossings and potential air emissions is necessary.

“With this new project, it is ever more clear that MVP only covets pipes in the ground and greater profits above all else. Proposing a shorter but larger-diameter pipeline, while trying to increase the amount of fracked gas transported by nearly 50 percent, shows MVP has and would continue to inflict irreparable damage to

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The groups also argued that while FERC was considering extending the construction permit beyond the original June 2023 expiration, MVP wasn’t working to complete the original project as required. Instead, the environmental groups argued, MVP was contemplating an entirely new project that is substantially different from the one originally approved.

Other groups joining the petition include Appalachian Voices, the Blue Ridge Environmental Defense League, the Center for Biological Diversity, the Haw River Assembly and the Natural Resources Defense Council.

MVP officials said they have met their legal obligations for the planned project.

“FERC had good cause to extend the certificate of public convenience and necessity for the Southgate project, which will provide an additional supply of clean and affordable natural gas needed to meet public demand and achieve environmental and economic goals,” Shawn Day, an MVP spokesman, wrote in an email.

MVP will, Day added, obtain all of the necessary permits and authorizations when it needs to. The project is anticipated to cost \$370 million and be completed in June 2028, according to a December Securities and Exchange Commission filing from the Equitrans Midstream Corporation. Equitrans is a partner in the joint Mountain Valley Pipeline Venture and would operate the finished pipeline.

Dominion Energy is still contracted to purchase 300,000 dekatherms of natural gas from MVP Southgate each day.

On Oct. 16, Dominion announced that it had reached an agreement with Dominion Energy to transport natural gas that would be burned to generate the proposed new [hydrogen-capable natural gas plant](#) that would replace the coal-fired generation at the Roxboro plant by 2029.

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Under the agreement, Dominion would build the infrastructure to move natural gas across North Carolina to the facility.

“Duke Energy will determine how they get the gas to our system and (Dominion Energy North Carolina) will only transport the natural gas. The agreement is not dependent on the construction of MVP Southgate,” Persida Montanez, a Dominion spokeswoman, told The N&O.

Montanez hinted, though, that upgrades to an existing Dominion pipe could help move gas from the planned Southgate route to the planned Person County gas plant.

Dominion has an aging pipeline that “originates” from the newly proposed Southgate route, Montanez wrote.

“That pipeline has been in service for decades and a new one is required to ensure continued compliance with federal regulations while accommodating additional natural gas supplies to support customer growth. This project will be installed predominantly along the existing pipeline corridor,” Montanez wrote.

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