Impacts of Natural Gas Pipeline for NC?

Four energy companies, including Duke Energy, have formed a joint venture to build the Atlantic Coast Pipeline (ACP), which will transport natural gas from the Marcellus and Utica shale basins from West Virginia to Virginia and eastern North Carolina. Currently, land surveys are being done to determine the pipeline’s proposed route, and the joint venture partners expect to submit paperwork to the Federal Energy Regulatory Commission later this summer. If approved, construction will begin next year and the pipeline will be fully operational by 2018.

What are some of the many implications of this massive $4.6 billion, 550-mile pipeline for North Carolina?

**Economic Development Impacts**

The pipeline will provide eastern North Carolina residents access to natural gas, which should result in lower energy bills over time. By running trunk lines off the ACP, Piedmont Natural Gas expects to be able to reach a large portion of eastern North Carolina that presently lacks natural gas infrastructure. It is hoped that industries previously unwilling to locate in the region because of a lack of access to natural gas will now locate there, boosting economic activity and job
creation. Since natural gas is currently cheaper for heating homes than electricity, homeowners may also benefit.

**Temporary Job and Revenue Creation**

Pipeline construction will also temporarily provide economic activity and employment. Consider the following:

- A study commissioned by joint venture partner Dominion Resources found that capital spending on the pipeline in North Carolina could generate an average of $113 million in annual economic impact and 738 jobs through 2018. The cumulative economic impact in our state is estimated at $680 million and 4,426 jobs in these years.

- However, once the pipeline goes into service, just 50 permanent jobs are anticipated for North Carolina. North Carolina is expected to gain $72,000 in net annual tax revenue as a result.

![Above-ground natural gas pipeline.](image)

**Environmental and Other Impacts in North Carolina**

Natural gas pipelines can impact the environment through habitat loss, changes in species movement, air emission, and sedimentation. Soil disturbance
during pipeline construction poses erosion and sedimentation risks.

- According to the Energy Information Administration, a 42-inch pipeline, such as the one proposed for the ACP, is the largest used in the natural gas industry. Construction requires a 150-foot right-of-way and a permanent 100-foot clear-cut right-of-way. Access roads for heavy equipment must be built and a trench excavated to bury the pipeline. Blasting must be done in rocky areas.

Beyond its potential environmental impacts, the pipeline project has angered some residents in Virginia where the project has surveyed private land during the construction planning process.

On the positive side, the natural gas pipeline will move North Carolina further away from reliance on coal and reduce our state’s carbon footprint. And, with potential regulatory actions like the proposed EPA Clean Power Plan now pending, natural gas becomes an obvious choice to help meet the state’s energy needs. Natural gas generators are also needed to support North Carolina’s growing renewable industry, where they serve as backup to intermittent solar power production and will similarly support future offshore wind power generation.

**Conclusion**

North Carolina is currently served by a natural gas pipeline originating in Texas that passes through Charlotte on its way to New York City. A second pipeline would provide valuable infrastructure to the underserved eastern part of our state.

Consumers in eastern North Carolina stand to benefit long after the temporary economic boost from pipeline construction with lower overall energy costs, if they modify their energy use toward more natural gas. Perhaps more significantly, the pipeline may incentivize businesses to locate in the region.

Ironically, because the ACP would provide abundant natural gas to North Carolina, its mere prospect may discourage the development of a homegrown fracking industry, a possibility that North Carolina has given so much recent attention. The state also will have to grapple with a second potential unintended
consequence, which is whether access to abundant natural gas stifles the development of renewable energy projects down east. For those who believe that North Carolina's eastern region needs a robust infusion of economic activity, however, the Atlantic Coast Pipeline is a welcome development.

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What interests you about the natural and built environments in our state? Let us know, and it could be a topic for a future IEI Environments newsletter.