

Energy companies abandon long-delayed Atlantic Coast Pipeline

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Climate activist groups protest in front of the U.S. Supreme Court as oral arguments are heard in the Atlantic Coast Pipeline case in February. (Mark Wilson/AFP/Getty Images)

The two energy companies behind the controversial 600-mile Atlantic Coast Pipeline on Sunday abandoned their six-year bid to build it, saying the project has become too costly and the regulatory environment too uncertain to justify further investment.

The natural-gas pipeline would have [tunneled under the Appalachian Trail](#) on its way from West Virginia through Virginia and into North Carolina, building an energy infrastructure proponents said would attract economic development to the region.

The abrupt abandonment sparked jubilation among environmental and community groups who had fought the pipeline all along its path, which included some of the most scenic and rugged terrain in Virginia. Property rights advocates in the Appalachians joined with an ashram in central Virginia and [black Baptists](#) from a rural county to make opposing the pipeline a high-profile political and social justice issue.

"The courageous leadership of impacted community members who refused to bow in the face of overwhelming odds is an inspiration to all Americans," former vice president Al Gore and the Rev. William Barber, a civil rights leader, said Sunday in a joint statement. They had visited Virginia together to shed light on the pipeline's impact on rural African American communities.

[*Al Gore, civil rights leader William Barber call on Northam to seek forgiveness through action*](#)

Virginia-based Dominion Energy and North Carolina-based Duke Energy spent \$3.4 billion on the project, fighting

regulatory battles that went all the way to the [Supreme Court](#), which ruled favorably for the companies last month.

But company officials said in a statement that other recent federal court rulings linked to the Keystone XL pipeline have heightened the litigation risk, extended the project's timeline and further ballooned the cost of the project, which had risen from an estimated \$5 billion in 2014 to \$8 billion today. When announced, the energy companies had hoped to have the pipeline operational by 2018.

"This announcement reflects the increasing legal uncertainty that overhangs large-scale energy and industrial infrastructure development in the United States," Dominion chief executive Thomas F. Farrell II and Duke Energy chief executive Lynn J. Good said in a joint statement. "Until these issues are resolved, the ability to satisfy the country's energy needs will be significantly challenged."

The decision to cancel the Atlantic Coast Pipeline came the same day Dominion announced it would sell its other natural gas pipelines and storage assets to Warren Buffett's Berkshire Hathaway Energy for \$10 billion, focusing exclusively on state-regulated natural gas utility markets and [some renewable energy projects](#). The deal is subject to regulatory approval and is expected to close in the fourth quarter of 2020.

Dominion is arguably the most powerful corporation in Virginia, and its commitment to the pipeline made the company a political target in the past several years after a new generation of Democrats won control of the state legislature. Faced with leaders in the General Assembly who pledged to weaken Dominion's influence in Richmond, the utility cooperated this year on legislation that requires it to phase out carbon-based energy by 2050.

Just last week, Dominion touted completion of the initial phase of a wind farm project it is developing 27 miles off the coast of Virginia Beach that is slated to be the biggest in the country.

A spokeswoman for Gov. Ralph Northam (D) said Sunday that he had spoken "with Dominion Energy leaders today and told them he supports this decision and the company's transition to clean energy."

In West Virginia, U.S. Sen. Joe Manchin III and Attorney General Patrick Morrisey (R) said in separate statements they were disappointed the companies chose to walk away from a critical infrastructure investment.

"The pipeline would have created good paying construction and manufacturing jobs for hard working West Virginians, reinvested in our energy markets increasing our domestic energy supply, and strengthened national security with

reliable energy to key military installations," said Manchin, the ranking Democrat on the Energy and Natural Resources Committee.

The Virginia Chamber of Commerce also lamented losing the potential economic benefits of the pipeline, saying it was projected to support 8,800 jobs and \$1.4 billion in economic activity in the state.

"Unfortunately, today's announcement detrimentally impacts the Commonwealth's access to affordable, reliable energy. It also demonstrates the significant regulatory burdens businesses must deal with in order to operate," Virginia Chamber President Barry DuVal said in a statement.

Environmental advocates had stalled the project with court challenges in which judges found that the federal permitting process had been hasty and slipshod. With permits being reevaluated, work on the pipeline in Virginia has been paused for more than a year and a half.

"This is a victory for all the communities that were in the path of this risky and unnecessary project," the Southern Environmental Law Center, which represented conservation groups in many of the court challenges, said in a statement.

"Finally, after causing so much pain and worry for so many, these companies have made a decision that is actually in

the interest of their customers and the people their actions affect," said David Sligh, a former Virginia environmental regulator who is conservation director of the advocacy group Wild Virginia.

Dominion and Duke cited a May 28 ruling by a U.S. District judge in Montana as a death knell to the Atlantic Coast Pipeline project.

The ruling threw into question the U.S. Army Corps of Engineers' permitting program, known as Nationwide 12, which allowed gas and oil pipelines to traverse wetlands and bodies of water. Energy industry experts said the decision, made in a case brought to block the Keystone XL oil pipeline from Canada, ultimately endangered as many as [70 other projects across the country](#).

The legal challenges, Dominion and Duke officials said, made it impossible to reliably calculate whether Atlantic Coast Pipeline construction could continue this year or how far it would be pushed into the horizon.

The cancellation comes despite President Trump's efforts to bolster oil and gas pipelines across the country by [weakening enforcement](#) of some of the country's landmark environmental laws, including provisions of the Clean Water Act, the [Endangered Species Act and the National Environmental Policy Act](#).

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