New England's Love Affair with Natural Gas Cools

DAVE GRAM, Associated Press

MONTPELIER, Vt. (AP) — New England's love affair with natural gas appears to be showing strain as the regional power grid operator voices worry about too much demand on limited supplies and a leading environmental group criticizes the fuel it once supported.

The changing mood follows more than a decade of explosive growth in the use of natural gas to heat and especially to power the six-state region's homes and businesses. Natural gas industry leaders say they are poised for continued rapid growth despite the warning bells being rung in other quarters.

In 2000, about 15 percent of New England's electricity was produced at generating stations that burned natural gas; in 2012, that number had grown to 52 percent, according to ISO-New England, the independent system operator that manages the regional power grid.

ISO-New England spokeswoman Marcia Blomberg said this past week that the organization is in the midst of a major study to determine if the region's power grid has become too reliant on natural gas and, if so, what might be done to address the issue.

Gordon van Welie, the grid operator's CEO, testified recently before a U.S. Senate committee that the key natural gas supply issue is the limited capacity of pipelines carrying the fuel into New England. Twice this past winter, during a cold snap in late January and a blizzard in early February, competing demand for gas for other uses, including home heating, meant power generators had difficulty getting the supplies they needed, van Welie said.

"And we were very close to the edge of reliability in very poor weather circumstances," van Welie said at a May 14 hearing of the Senate Energy and Natural Resources Committee. "As a system operator, that makes us very nervous and we want to solve that problem as quickly as we possibly can."

Dan Whitten, spokesman for the Washington-based America's Natural Gas Alliance, said it appears that New England's real problem with natural gas is that it can't get enough.

Meanwhile, the Conservation Law Foundation, whose affiliate CLF Ventures was an active partner in a gas-fired power plant in Londonderry, N.H., that went fully operational in 2002, now is trying to block Vermont Gas Systems from extending a gas pipeline from the area of northwestern Vermont that it currently serves southward along the western side of the state.

CLF, which is based in Boston and has offices around the region, won praise from

the New Hampshire project's lead developer for helping win public acceptance of it. "CLF Ventures provided a much needed calming voice. Their credibility was a real asset," Roger Sant, since retired as chairman of AES Corp., is quoted on the CLF Ventures website as saying.

But in Vermont Public Service Board proceedings on Vermont Gas Systems' Addison Pipeline project, a CLF expert, Elizabeth Stanton of Cambridge, Mass.-based Synapse Energy Economics, rebutted Vermont Gas Systems' claim that the project would reduce greenhouse gas emissions. On the contrary, Stanton testified, any savings from using cleaner-burning gas over heating oil in homes and businesses along the route would be more than offset by pipeline leaks of methane, a potent greenhouse gas, into the atmosphere.

CLF senior attorney Sandra Levine said in an interview that even at the height of its support for natural gasin the late 1990s, CLF considered it a "transitional fuel," useful for getting New England to use less coal and oil. Eventually, natural gas, a fossil fuel that produces greenhouse gases, should be replaced by renewable energy sources, and CLF is pushing in that direction, she said.

Pipelines and power plants are infrastructure designed to last 30 to 50 years. CLF is unlikely to support more such projects because they would lock New England into natural gas until the latter half of this century, she said.

"Gas has already helped us as a region move away from coal," Levine said. "The transition we need now is to move away from fossil fuels."

Levine also noted concern about hydraulic fracturing, or fracking, a hotly debated method for gas extraction that many environmentalists blame for contaminating water supplies. Vermont banned fracking last year, a move widely seen as symbolic since the state has no known natural gas deposits within its borders.

Thomas Kiley, president of the Northeast Gas Association, said the use of natural gas hasn't peaked in New England yet. But state governments, including those in Connecticut, Massachusetts, Maine and Vermont, have gone on the record to support expansion.

When Vermont Gas announced last week that it was expanding its system eastward to Enosburg Falls, allowing homeowners to tap into a heating fuel that could save them up to $2,000 over the cost of heating oil, Gov. Peter Shumlin called it "great news for residents and business owners alike."

Companies wouldn't be expanding systems if they didn't see pent-up customer demand, Kiley said. "It's interesting that the state that bans fracking wants the benefits of low prices, or at least the customers do," he said.

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