

South Jersey Gas reapplying to build Pinelands pipeline

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South Jersey Gas will reapply Thursday to the Pinelands Commission for permission to build a 22-mile natural gas pipeline to the B.L. England Generating Station in Upper Township, along the same route the commissioners rejected in January 2014, an executive said.

The company is filing an amendment to its 2013 private development application, contending new information will show its project meets all Pinelands standards for staff approval. Private applications do not need the vote of the full commission.

Environmentalists lobbied heavily against approving the pipeline the first time around, saying its construction in a Forest Area would damage the land and leave the area vulnerable in the case of a rupture. It would also set a bad precedent that would encourage other development in fragile areas, they said.

BL England is located in the Pinelands National Reserve, so the pipeline would primarily serve the Pinelands, and that is the standard the application has to meet, according to a draft of the company's Pinelands Comprehensive Management Plan Compliance Statement to be delivered today.

The Press obtained a copy of the compliance statement under a South Jersey Gas embargo that was not lifted until 6 a.m. today, so opponents and others could not be contacted until today. The company's contract with BL England plant owner RC Cape May Holdings requires South Jersey Gas to use its full capacity on the new 24-inch pipeline to send gas to the plant 350 days a year, or 95 percent of the time, said Robert Fatzinger, senior vice president of engineering services and system integrity at South Jersey Gas.

That condition prevents the gas from being used to provide service to customers outside the Pinelands, Fatzinger said.

In its previous application, commission staff determined the pipeline could provide backup service to more than 100,000 people outside the Pinelands, so it didn't meet the standards for private development in a Forest Management Area. Instead, South Jersey Gas pursued a memorandum of agreement between the Board of Public Utilities and the commission. The memorandum failed on a 7-7 vote of the commissioners in January 2014.

The details of the contract with RC Cape May Holdings had not been made public before, Fatzinger said.

"This might be the most important (point)," said Fatzinger. "It does a pretty effective job of showing why we do meet the CMP (Pinelands Comprehensive Management Plan)."

The pipeline would travel along the shoulder of Route 49 from Maurice River Township through 10 miles of protected Forest Management Area, then along Route 50 to Tuckahoe Road and along an Atlantic City Electric right-of-way to BL England.

Currently 30 percent of the power produced at BL England goes to Pinelands customers, and after the repowering 45 percent will do so, rising to 86 percent after 2019, when the Oyster Creek nuclear power plant in Lacey Township closes, according to a study by Power Grid Engineering & Markets.

The new plant at BL England would take about three years to build after receiving all permits and financing, according to RC Cape May, so the earliest it could come online is likely to be right before Oyster Creek closes.

“If we were serving a blueberry farm in the Pinelands, we would be meeting the CMP, but the farm sells blueberries all over the world,” Fatzinger said. “In this case not only the plant, but also its customers are primarily in the Pinelands.”

About 500,000 people live in the Pinelands National Reserve, which covers 1.1 million acres in seven counties and 56 municipalities, according to the commission.

The only time the pipeline would be used to primarily serve residents outside the Pinelands would be in the event of a natural or manmade disaster damaging the single pipeline that now feeds gas to Cape May County, Fatzinger said.

The new pipeline would create a loop, so that if one source couldn't provide gas to the pipeline that runs down the center of the Cape peninsula, a second source could, South Jersey Gas spokesman Dan Lockwood said.

The compliance statement draft said the Forest Area Management use standards of the CMP do not require proof that infrastructure “solely” serves the Pinelands, only that it “primarily” does. South Jersey Gas is also pursuing a deed restriction with the state Board of Public Utilities, so residents of the Pinelands Forest Area would not be allowed to tie into it, thus negating the fear it could spur development there.

“We are going to the BPU and asking them to tell us we are not allowed to connect unless ordered to do so by them,” Fatzinger said. “It puts teeth in a commitment we already made.” The company has also changed some aspects of the pipeline design, Fatzinger said.

The interconnection station in Upper Township has been moved outside the Forest Area, and about four miles of pipeline would be laid using directional drilling rather than open-cut trenching to minimize surface impact, particularly in Forest Area, he said.

The memorandum of agreement between the commission and the BPU that South Jersey Gas relied on in its first application would have required SJ Gas to pay the commission \$8 million for its Conservation Fund for land acquisition and preservation.

No such payment would be forthcoming under the amended filing.

Atlantic City Electric successfully used a similar memorandum in 2004 to build 55 miles of 230 kilovolt transmission lines from Oyster Creek to the Cardiff substation in Egg Harbor Township, through about 17.5 miles of Pinelands Preservation Area and Forest Area.

That memorandum required Atlantic City Electric to pay \$13 million to the Conservation Fund. “At the time of SJG’s initial application for the Project, the Pinelands Conservation Fund was nearly depleted and the Commission was running out of funds to for (sic) its land acquisition program,” the draft compliance statement said.

After the memorandum was voted down, South Jersey Gas sued the commission in March 2014, asking the court to force the commission to reconsider its vote. The suit will continue but will become moot if the company receives permission under its amended application, Fatzinger said.

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