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Oppose the Department of Energy Financially Backing Dirty Energy Projects

5-7 minutes

Dear Senators,

As you begin consideration of the Department of Energy appropriation for Fiscal Year 2020, we, the undersigned community, health, environmental, and public interest groups, are writing to urge you to SUPPORT including the provision passed in the House bill, HR 2740, that “clarifies that the Department of Energy’s Section XVII Loan Program is providing loans only to clean energy projects that avoid, reduce, or sequester air pollutants or human-caused emissions of greenhouse gases.”

Additionally, we ask you to OPPOSE any effort to allow the Department of Energy (DOE) approval of the Appalachia Development Group’s “ADG’s” application for a \$1.9 billion Title XVII loan guarantee, for a massive fossil fuel and petrochemical infrastructure project (Appalachian Storage and Trading Hub Project) to be located in the Ohio River Valley region of Ohio, Pennsylvania, West Virginia, or Kentucky.

The Appalachian Storage and Trading Hub Project does not meet the project criteria provided by Section 1703 of Title XVII of the Energy Policy Act, 42 U.S.C. § 16513. Title XVII loan guarantees are designed to fund energy projects that “avoid, reduce or sequester air pollutants or anthropogenic [human-caused] emissions of greenhouse gases”. In contrast, the Appalachian Storage Hub Project could store and provide natural gas liquids to

five or more large ethane crackers (petrochemical facilities that turn the natural gas liquid ethane into a chemical used to make plastic), and it would be interconnected to a labyrinth of leaky pipeline infrastructure and multiple underground natural gas liquid storage facilities. The facility would cement the demand for fracking and decades more of climate-altering releases during the upstream (drilling and fracking) and downstream (petrochemical and plastics manufacturing) part of the pipeline chain.

The Appalachian Storage and Trading Hub Project poses a major health risk for the region, effectively creating another “Cancer Alley”. This industry-proposed regional buildout of petrochemical infrastructure would emit large amounts of hazardous air and climate pollutants in a geographical location that has long suffered from extractive industries like coal mining and fracking, has borne the brunt of the opioid crisis, and continues to be an area of economic divestment. It would also lock in the demand for continued or amplified fracking, a destructive drilling method that has been linked to public health problems, accidental spills of toxic waste, air pollution, earthquakes and drinking water contamination. The colossal storage facility would most likely to be sited along the Ohio River, the drinking water source for over 5 million people, endangering a vital water source. Studies have found that long-term exposure to these pollutants is associated with increased cancer risks, nausea, eye and throat irritation and respiratory problems, especially among children.

Plastics are a financially unstable investment risk. The public awareness about the damage of single-use plastic to wildlife is high, and efforts to reduce plastic use are advancing all over the world. Many of the largest markets in the world are banning single use plastics, driving down demand. Additionally, the fracking industry which feeds the plastics industry is financially precarious, which makes a loan guarantee a high-risk financial decision. Fracking has not been profitable without historically low interest

rates on loans, continual cash input from Wall Street, and an unceasing expansion of drilling. Many industry experts believe that industry speculation of shale reserves has been grossly overestimated and that the shale bubble is liable to burst with minor market fluctuations. It would be a travesty for taxpayers to take on the financial burden of a likely default.

The volumes of carbon emissions the Appalachian Storage and Trading Hub would intensify the current climate crisis. The United States and the World is in climate crisis making it imperative that we decrease our carbon emissions and move off of a fossil fuel driven economy. The Appalachian Storage Hub Project is a step in the wrong direction. The infrastructure built in Appalachia would lock in decades of not only air and water pollution that is directly hazardous to human health, but would also unleash a colossal amount of greenhouse gases, which will impact not only Appalachians, but people all over the globe.

Appalachia is an area of great natural beauty, culture, and resilience. The federal government should be playing an active role in supporting economic development in Appalachia. Rather than subsidies for fossil fuel infrastructure, the region needs multi-sector economic development that improves the health of the region and provides good-paying union jobs in green energy, sustainable agriculture, healthcare and more as our nation moves towards clean energy.

Again, for the reasons stated above, we urge you to include a provision in the Department of Energy Fiscal Year 2020 appropriation clarifying the DOE's Section XVII Loan Program is providing loans "only to clean energy projects that avoid, reduce, or sequester air pollutants or human-caused emissions of greenhouse gases." Additionally, we urge you to OPPOSE any effort to provide Section XVII Loan guarantee to projects like the proposed Appalachian Storage and Trading Hub.

Sincerely,