Dominion Energy exec talks Atlantic Coast Pipeline conspiracies, timeline

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Bruce McKay, senior energy policy director of Dominion Energy.

Bruce McKay, senior energy policy director of Dominion Energy, says preliminary work for the 600-mile Atlantic Coast Pipeline is finally – after years of discussions, negotiations and lobbying – in the home stretch.

In Raleigh to brief lawmakers on Dominion’s pending purchase of SCANA, he spoke with Triangle Business Journal about the pipeline and a new environmental fund that came on the heels of a critical permit approval by the state.

McKay says economic developers all seem to have a story about "the one that got away": large prospects – manufacturers that could have brought hundreds, even thousands of jobs to the state – eliminating North Carolina from site lists due to natural gas constraints. He recalls conversations where developers gave companies estimates of how much a new TransCo line would cost, and CEOs balked.

“The incremental cost of doing that, serving one customer, would make it uneconomical, just uneconomical to do that on their own,” he says. “Now we have something to tell them.”

The pipeline, pumping fracked natural gas from West Virginia through Virginia and into North Carolina, ends in Robeson County near the place where Duke Energy-owned Piedmont Natural Gas branches out, extending its web of small lines throughout eastern North Carolina. With more capacity, it can create more of its transport lines – at a much cheaper cost than a TransCo extension. Armed with permits and a concrete timeline, conversations are happening right now with prospects, he says. And Dominion has participated in some of those efforts.

If all goes well, ACP could move from preconstruction activities, such as tree-felling, to full construction this spring. But that's if it's able to acquire the remaining permits, including one from the U.S. Army Corps of Engineers. It must also acquire the necessary land to build – something McKay expects to accelerate.

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According to Dominion, about 80 percent of impacted landowners have already signed voluntary agreements that allow ACP to build on their properties. McKay expects that count to increase, as many have said they wouldn't sign until permit approval was obtained.

"Of course, there are some people who say, only on the courthouse steps and we understand that," he says. "We really do try to get that number as close to zero as possible through earnest negotiations and try to compensate people as well as we can for the impact on land and crop loss."

But, as a result, the company hasn't shied from starting eminent domain proceedings. As of Friday, it had filed eminent domain paperwork in federal court for more than 260 acres.

"If there wasn't a process, at the end of the day, you could have what should be a 600-mile pipeline by 700 miles if you were going like this," he says, making a zigzag motion. "And only finding willing sellers, you would increase environmental impact substantially, weaving all over the place."

But eminent domain isn't the only controversy among environmentalists. Questions have also been asked about an environmental fund Dominion is contributing to – one announced at the same time that the state issued that pivotal water permit to ACP.

McKay says the $57.8 million Gov. Roy Cooper announced Jan. 26 has nothing to do with NCDEQ's approval of the project's water permit. In conjunction with that permit, Cooper had issued a news release saying that Dominion and Duke were allocating the amount into a new clean energy and rural development fund "to be used for environmental mitigation initiatives such as reducing the carbon footprint and expansion of renewable energy sources."

But McKay says the fund isn't a state initiative. It is mitigation funding mandated under the Federal Energy Regulatory Commission's process. As part of its agreement with the feds, ACP must conduct a full review of environmental impact to come up with an appropriate figure.

"You try to avoid [environmental impacts] and, if you can't avoid them, you do what you can to minimize," he says. "If you can't minimize every impact, and you can't – you can't avoid every tree and wetland – then you mitigate the cost of that impact."

A complicated formula is involved in coming up with a total, and something similar is being compiled for Virginia.

"It is an approach mandated by FERC," he reiterates.

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