

## US Northeast midstream sector urged to fight back to lift gas project efforts

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Expected growth in [US LNG feedgas](#) demand is creating such a large opportunity for Northeast producers and midstream operators that they were urged June 10 to be more aggressive in pushing back against opponents of projects that would allow more resources to reach [market](#).

As an LDC [Gas](#) Forum conference in [Boston](#) got underway, industry leaders heard from a former Department of Energy official during the George W. Bush administration about being proactive, developers about their desire to put shovels in the ground and consultants about how stranded supplies will impact [prices](#).

For years, the Northeast has been a difficult place to build new infrastructure to boost takeaway capacity from the [Appalachian Basin](#) to downstream [markets](#), where the supplies have traditionally been used for power generation and to heat homes. These days, there is added pressure because of what liquefaction terminals bring to the demand picture.

“[We](#) may have technology that far outweighs our ability to use it,” said Pat McKinnon, an associate with Euler [Hermes](#) Energy, which provides credit solutions to the sector.

Month to date, [US LNG feedgas](#) demand topped 5.3 Bcf/d, a year-on-year build of 88%. With at least four additional [LNG export](#) terminals currently under construction, and several new builds and expansions nearing final investment decisions, S&P Global Platts Analytics expects that [US LNG feedgas](#) demand will reach nearly 16 Bcf/d by the end of 2024.

Of the 9.4 Bcf/d of [export](#) capacity that Platts Analytics expects will be added through the mid-2020s, roughly 9 Bcf/d will be located along the [US Gulf Coast](#). This high concentration of demand will necessarily require additional pipeline infrastructure to tieback [LNG feedgas](#) demand to the major producing areas in the Northeast and [Texas](#), which are expected to account for roughly 80% of [US natural gas](#) production growth through 2024.

In past years, the Northeast [gas market](#) often saw the supply component grow more quickly than the demand side. Thanks to [LNG export](#) growth, as well as planned closures of [nuclear power](#) generating facilities, the demand side is catching up.

“Without timely midstream additions, you’re going to have imbalances here,” Richard Redash, S&P Global Platts Analytics’ head of global [gas](#) planning, said during a presentation at the conference.

Beyond domestic considerations, [US gas](#) players are increasingly looking at what is happening in [Europe](#) and [Asia](#), thanks to global connectivity created by [LNG](#), Redash said.

“For the first time, **we** ’re no longer isolated here,” he said. “**We** have to look at what’s happening in the global **market**.”

## **Proactive response**

Williams, operator of Transcontinental **Gas** Pipe Line, has been especially aggressive in its efforts to serve **US LNG** facilities with domestically produced **natural gas**. It also has been among the developers trying to add more pipeline infrastructure in the Northeast.

**New Jersey** regulators recently rejected key wetlands, water quality and land use approvals for Williams' Northeast Supply Enhancement project. The decision was another blow to the pipeline expansion that would bring 400 MMcf/d of incremental **natural gas** supply into **New York markets** . Earlier, the project was denied a water quality certificate by **New York** state regulators, though Williams filed a new application. Also in the region, **Dominion** ’s **Atlantic** Coast Pipeline and EQM Midstream Partners’ Mountain Valley Pipeline have both faced delays because of legal and regulatory setbacks.

Such problems make it even more important that the developers fight back harder, Craig Stevens, a spokesman for Grow America’s Infrastructure Now, an industry trade group, said at the **Boston** conference.

“All projects are related. That is difficult for the industry to understand,” said Stevens, who worked for the Bush administration for seven years, first at the Department of Health and Human Services before moving to **DOE**. “If you’re lucky enough to not have a protest, that is going to be the rare exception from now on.”