

VIRGINIA BEACH VISION

Statement of Position Atlantic Coast Pipeline

Adopted February 17, 2016

Based on information provided by Virginia Natural Gas and Dominion Resources, natural gas is becoming the fuel of choice for American consumers making the construction of the Atlantic Coast Pipeline (ACP) necessary to address a critical lack of interstate pipeline capacity in West Virginia, Virginia and North Carolina.

The infrastructure needed to transport natural gas to local distribution systems has not kept pace with growing shale production, raising issues throughout the supply chain. For natural gas producers, this has caused operational disruptions in peak demand periods, particularly affecting large energy dependent industries.

In Hampton Roads, the upstream natural gas system has reached its capacity. This region is directly served by two interstate natural gas transmission pipelines – both of which are many decades old and fully subscribed, with no opportunity for low-cost expansions. Consequently, Hampton Roads needs a new pipeline to feed into the Virginia Natural Gas service area to supply any new major industrial customers. The Atlantic Coast Pipeline will address both incremental demand growth as well as major, new economic development opportunities through an ability to attract new businesses, especially advanced manufacturing and heavy industry.

The Atlantic Coast Pipeline will be an interstate pipeline, originating in the shale-rich regions of West Virginia, where natural gas production is most prolific today and for the foreseeable future, and continuing approximately 550 miles to North Carolina, with a 70-mile extension from Emporia to Chesapeake.

The pipeline project is awaiting completion of study and approval by FERC. Regulatory authorities do not allow utilities and pipeline companies to construct infrastructure for speculative demand. In this instance, the actual demand is so great that more than 90 percent of the projected capacity has already been contracted under firm agreements.

It is the position of Virginia Beach Vision, Inc. that the development of the Atlantic Coast Pipeline is necessary to help meet the energy requirements of the Hampton Roads region; that it will serve as an economic stimulus for the area through improved reliability and capacity of the energy infrastructure system; and that it will ensure that Hampton Roads remains an attractive place for industry to locate and existing industry to grow.