

Mountain Valley Pipeline United States

Sectors: oil and gas, transport and infrastructure

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About Mountain Valley Pipeline

The **Mountain Valley Pipeline (MVP)** is a proposed 42-inch interstate natural gas pipeline that would run 303 miles from north-western West Virginia to south central Virginia. The project is budgeted at USD 3.5 billion. The pipeline is a joint venture of EQT Midstream Partners (45.5%), NextEra Energy Resources (31%), Con Edison Transmission (12.5%), WGL Midstream (10%) and RGC Midstream (1%). The route of the pipeline crosses the Allegheny Highlands (defined as an 'eco-region' by the World Wildlife Fund), threatening pristine forests, headwaters and steep, fragile terrain, as well as many farms, communities and other properties all along its route. The project is facing significant opposition from landowners and citizens along its path.

Brief history

In June 2014, EQT Corporation and NextEra US Gas Assets, LLC, an indirect, wholly owned subsidiary of NextEra Energy, **announced the commencement** of a non-binding open season for the Mountain Valley Pipeline project, which is expected to connect Marcellus and Utica natural gas supply to demand markets in the south-east region of the United States. EQT Midstream, an affiliate of EQT, will operate the pipeline and owns the largest stake in the joint venture. Meanwhile, EQT, the largest gas producer in the region, is signed up to use nearly 65% of the pipeline's capacity.

The U.S. Federal Energy Regulatory Commission (FERC) released its Final Environmental Impact Statement for the project on June 23, 2017, and issued a Certificate of Public Convenience and Necessity approving the pipeline on October 13, 2017. Construction is due to begin in the first quarter of 2018.

What must happen

A string of major banks are lined up to finance the Mountain Valley Pipeline, despite the significant harm the project would inflict on the climate and communities along its path. The financing of EQM, the project's sponsor, reveals the clearest links to the banks behind the pipeline. Bank of America and MUFG are providing the most funding to EQM, followed by Deutsche Bank and Wells Fargo. Wells Fargo plays a pivotal role as lead arranger of EQM's credit facility. PNC, SunTrust, BNP Paribas/Bank of the West, and U.S. Bank are next in line as significant bankrollers of EQM.

Issues

Social issues

Public safety There is no way to justify the risk of an explosion or leak to the people who live within the quarter-mile blast radius of the proposed pipeline. The National Transportation Safety Board tracks data on **pipeline incidents**, and its website is full of reports of gas pipeline explosions and fires that have resulted in deaths and the destruction of property. Figures from the U.S. Pipeline and Hazardous Materials Safety Administration show that onshore gas pipelines installed in the 2010s have incident rates more than **five times** greater than pipelines installed in the 1990s and 2000s (source [appvoices.org](#)).

Environmental issues

Climate Change The annual greenhouse gas emissions caused by the Mountain Valley Pipeline would be almost 90 million metric tons. This is equivalent to the emissions from 26 average U.S. coal plants, or over 19 million passenger vehicles. This estimate does not include construction emissions which, according to FERC, would amount to 967,684 short tons over four years of preparation and construction. Additional emissions are caused by changes in vegetation cover in the pipeline corridor. Vegetation clearance is dominated by the clearing of 4,856 acres of upland forest (source [MVP briefing Oil Change International, Bold Alliance, February 2017](#)).

The MVP would enable **significantly more gas** to be shipped, which means significantly more gas can be extracted using fracking techniques in the Marcellus shale region. Natural gas is predominantly methane. While methane does have a lower global warming impact than coal during electricity generation, it still accelerates climate change. **Methane leakage** along the U.S. gas supply chain more than doubles the lifecycle emissions of gas, making gas dirtier than coal-fired power. The gas supply chain leaks methane directly into the atmosphere before it reaches and is burned in the power plant. Unburned methane is 86x more potent than CO2 as a GHG.

Forests & the Appalachian Trail **FERC concedes** that there will be permanent adverse impacts to forests. The MVP would cross thousands of acres of prime forest land and habitat for species listed as threatened and endangered. It would cross national treasures like the Appalachian Trail and the

Blue Ridge Parkway. The U.S. Forest Service has raised several of these forest impact issues, yet they have not been addressed by FERC or the project partners.

Impacts on local environment A report (July 2016) by Professor Kastning of the Radford University stated that "the proposed corridor of the Mountain Valley Pipeline (MVP) passes through a significant area of karst as it crosses the mountainous Valley and Ridge Province (the Appalachian Fold Belt) in Summers and Monroe counties, West Virginia and Giles, Craig, Montgomery, and Roanoke counties in Virginia. Karst is a landscape that is formed by the dissolving of bedrock. Severe karst can create hazards for structures that are built on or across it. The environment, both on the surface and in the subsurface, is more easily degraded in karst than in most other terrains. Karst poses severe constraints on engineering, construction, and maintenance of large-scale structures built upon it or across it. Moreover, the karst in this mountainous region is much different than that in other areas. Siting a pipeline through the Appalachian karst poses significantly greater hazards than in karst areas where the terrain has lower topographic relief. Karst is a critical factor in the siting and management of a high-pressure gas pipeline such as the one proposed. However, other potential hazards such as land instability, weak soils, and potential seismicity are also highly significant in this region. When two or more of these elements act together, the resulting environmental threat from the pipeline is compounded and exacerbated."

The report concluded that "the karst and associated hazards constitute a serious incompatibility with the proposed pipeline. The effect of these threats on the emplacement and maintenance of the line, as well as the potential hazards of the line on the natural environment, renders this region as a 'no-build' zone for the project."

Further impacts The pipeline would have **several local environmental impacts**:

- 986 waterbody crossings are classified as fisheries of special concern
- the 50-foot wide operational easement would have a permanent impact on forests
- about 67 % of the route would cross areas susceptible to land slides
- construction would disturb about 4,189 acres of soils that are classified as having potential for severe water erosion
- construction would disturb about 2,353 acres of prime farmland or farmland of statewide importance
- in Virginia it would impact about 938 acres of contiguous interior forest during construction, classified as high to outstanding importance
- in West Virginia it would impact approximately 865 acres of core forest areas which are significant wildlife habitat
- 22 threatened, endangered, candidate or special concern species (federally listed as such) are potentially in the vicinity of the project along with 20 state-listed or special concern species.

Governance

Applicable norms and standards

[OECD Guidelines for Multinational Enterprises](#)

[UN Guiding Principles on Business and Human Rights](#)

Bank policies

The following bank investment policies apply to this project:

Deutsche Bank

[Position on Shale Gas](#)

Jun 9 2016 | [Deutsche Bank](#)

Wells Fargo

[Statement on climate change](#)

Feb 4 2016 | [Wells Fargo](#)

[Environmental and Social Risk Management](#)

Dec 1 2015 | [Wells Fargo](#)

Barclays

[Environmental and Social Risk Briefing Oil & Gas](#)

Mar 27 2016 | [Barclays](#)

JPMorgan Chase

[Environmental and Social Policy Framework](#)

Mar 31 2017 | [JPMorgan Chase](#)

Credit Suisse

[Statement on climate change](#)

Oct 26 2015 | [Credit Suisse](#)

Goldman Sachs

Updates

FERC gives the go ahead to Mountain Valley Pipeline

Oct 13 2017

On October 13, 2017, FERC granted approval for the Mountain Valley Pipeline. FERC endorsed the 42-inch diameter buried pipeline, slated to transport natural gas extracted by hydraulic fracturing in the Appalachian Basin. (source: [The Roanoke Times](#))

FERC's final environmental impact statement for Mountain Valley Pipeline elicits controversy

Jun 23 2017

The federal agency that decides the fate of interstate natural gas pipeline projects declared on June the 23rd that the proposed Mountain Valley Pipeline “would result in limited adverse environmental impacts, with the exception of impacts on forest” – a conclusion project opponents said offers additional evidence of the agency’s bias toward approving pipelines (source [The Roanoke Times](#)).

Groups challenge W.Va. certification for proposed Mountain Valley Pipeline

Jun 9 2017

Richmond, VA — Environmental groups [filed suit today](#) challenging West Virginia’s certification for the proposed Mountain Valley Pipeline, which would transport fracked gas across West Virginia and Virginia. The proposed 300-mile, 42-inch pipeline would cross primarily undeveloped, rural agricultural and forested lands. The project would fragment the heart of one of the largest remaining wild landscapes in the United States, cutting through national forest land and the Appalachian Trail and crossing more than 1,000 streams and wetlands and several major rivers in its path (source [appvoices.org](#)).

AppalMad and Sierra Club File Rebuttal to Mountain Valley Pipeline Claims

May 15 2017

Karst geology experts have strongly condemned Mountain Valley Pipeline’s Draft Environmental Impact submittals to the Federal Energy Regulatory Commission regarding pipeline construction in sensitive karst terrain (landscapes formed from the dissolution of soluble rock). [A 14 page rebuttal](#), prepared by Ernst Kastning and submitted on behalf of the Virginia Chapter of the Sierra Club by Appalachian Mountain Advocates attorneys Benjamin Luckett and Joseph Lovett describes the risks to Southwest Virginia and West Virginia communities from pipeline construction. Damage would include groundwater contamination, groundwater recharge, surface collapse and other dangerous consequences of building a massive infrastructure project in a seismic area populated with caves and sinkholes.

Environmental Impact Statement delayed

Apr 4 2017

The Federal Energy Regulatory Commission (FERC) said in a notice that it is pushing back its environmental review schedule for the Mountain Valley Pipeline (MVP) and related Equitrans Expansion Project (EEP) by a little over three months (source [NGI](#)).

Financiers

The clearest way to answer the question of who is financing the Mountain Valley Pipeline is to look at the finance for EQT Midstream Partners (EQM). EQM is the largest investor and the driving force behind the pipeline. A report from [Oil Change/BOLD Alliance](#) concludes that the 18 banks behind EQM's USD 750 million revolving credit facility from February 2014, and the 11 banks that purchased notes from its November 2016 USD 500 million bond offering, are the banks most closely linked to EQM's financing of the pipeline. More details on the banks financing EQM is provided below.

Banks

BNP Paribas France profile		Details ▼
Bond issue – underwriter <i>source:</i> EQM filings at the SEC link	USD 35 million	1 December 2016 - 1 December 2026
Debt – corporate loan <i>source:</i> EQM filings at the SEC link	USD 41 million	18 February 2014 - 18 February 2019
Bank of America United States profile		Details ▼

Bond issue – underwriter <i>source</i> : EQM filings at the SEC link	USD 90 million	1 December 2016 - 1 December 2026
Debt – corporate loan <i>source</i> : EQM filings at the SEC link	USD 51 million	18 February 2014 - 18 February 2019
Bank of New York Mellon United States profile		Details ▼
Debt – corporate loan <i>source</i> : EQM filings at the SEC link	USD 16 million	18 February 2014 - 18 February 2019
Bank of Nova Scotia		Details ▼
Bond issue – underwriter <i>source</i> : EQM filings at the SEC link	USD 35 million	1 December 2016 - 1 December 2026
Debt – corporate loan <i>source</i> : EQM filings at the SEC link	USD 41 million	18 February 2014 - 18 February 2019
Bank of Tokyo Mitsubishi UFJ Japan profile		Details ▼
Bond issue – underwriter <i>source</i> : EQM filings at the SEC link	USD 90 million	1 December 2016 - 1 December 2026
Debt – corporate loan <i>source</i> : EQM filings at the SEC link	USD 51 million	18 February 2014 - 18 February 2019
Barclays United Kingdom profile		Details ▼
Debt – corporate loan <i>source</i> : EQM filings at the SEC link	USD 51 million	18 February 2014 - 18 February 2019
Canadian Imperial Bank of Commerce		Details ▼
Bond issue – underwriter <i>source</i> : EQM filings at the SEC link	USD 10 million	1 December 2016 - 1 December 2026
Debt – corporate loan <i>source</i> : EQM filings at the SEC link	USD 16 million	18 February 2014 - 18 February 2019
Citigroup United States profile		Details ▼
Debt – corporate loan <i>source</i> : EQM filings at the SEC link	USD 51 million	18 February 2014 - 18 February 2019
Credit Suisse Group Switzerland profile		Details ▼
Debt – corporate loan <i>source</i> : EQM filings at the SEC link	USD 41 million	18 February 2014 - 18 February 2019
Deutsche Bank Germany profile		Details ▼
Bond issue – underwriter <i>source</i> : EQM filings at the SEC link	USD 90 million	1 December 2016 - 1 December 2026
Debt – corporate loan <i>source</i> : EQM filings at the SEC link	USD 41 million	18 February 2014 - 18 February 2019
Goldman Sachs United States profile		Details ▼
Debt – corporate loan <i>source</i> : EQM filings at the SEC link	USD 41 million	18 February 2014 - 18 February 2019

Huntington National Bank			Details ▼
Bond issue – underwriter <i>source:</i> EQM filings at the SEC link	USD 10 million	1 December 2016 - 1 December 2026	
Debt – corporate loan <i>source:</i> EQM filings at the SEC link	USD 16 million	18 February 2014 - 18 February 2019	
JPMorgan Chase United States profile			Details ▼
Debt – corporate loan <i>source:</i> EQM filings at the SEC link	USD 51 million	18 February 2014 - 18 February 2019	
PNC Bank United States profile			Details ▼
Bond issue – underwriter <i>source:</i> EQM filings at the SEC link	USD 35 million	1 December 2016 - 1 December 2026	
Debt – corporate loan <i>source:</i> EQM filings at the SEC link	USD 51 million	18 February 2014 - 18 February 2019	
Royal Bank of Canada Canada profile			Details ▼
Debt – corporate loan <i>source:</i> EQM filings at the SEC link	USD 41 million	18 February 2014 - 18 February 2019	
SunTrust Bank United States profile			Details ▼
Bond issue – underwriter <i>source:</i> EQM filings at the SEC link	USD 35 million	1 December 2016 - 1 December 2026	
Debt – corporate loan <i>source:</i> EQM filings at the SEC link	USD 51 million	18 February 2014 - 18 February 2019	
US Bank			Details ▼
Bond issue – underwriter <i>source:</i> EQM filings at the SEC link	USD 35 million	1 December 2016 - 1 December 2026	
Debt – corporate loan <i>source:</i> EQM filings at the SEC link	USD 41 million	18 February 2014 - 18 February 2019	
Wells Fargo United States profile			Details ▼
Bond issue – underwriter <i>source:</i> EQM filings at the SEC link	USD 35 million	1 December 2016 - 1 December 2026	
Debt – corporate loan <i>source:</i> EQM filings at the SEC link	USD 51 million	18 February 2014 - 18 February 2019	

Related companies

Project sponsor

EQT Midstream Partners United States

Other companies

Con Edison Transmission United States

NextEra Energy Resources United States

RGC Midstream United States

WGL Midstream United States