

Shrouded in Secrecy and Lies, Dominion Resources Builds Dangerous Liquefied Gas Facility in Cove Point, Maryland

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[We Are Cove Point](#)

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For decades, there has been a mostly dormant liquefied gas (LNG) import facility in the community of Cove Point on the shore of the Chesapeake Bay in Southern Maryland. Surrounded by forest on conservation land and across the street from residential homes and neighborhoods, the huge white storage tanks are only visible from the opening at the plant's entrance. It used to be that locals hardly gave the facility a thought. The area is known for its Calvert Cliffs, where 12-million-year-old fossils from the Miocene Era are plentiful, for its historic light house, beaches, fishing and boating, and for the usual activities of community life.

Life is not so tranquil now. For the past 15 months, Cove Pointers have been learning what it means to live in a sacrifice zone, where corporate profits are more important than public safety and where their legitimate concerns are ignored. Dominion Resources is building a power plant, gas refinery and liquefaction train on the dormant site to import or export liquefied gas depending on whether the highest prices are at home or abroad.

This is the first time anywhere in the world that an LNG export terminal would be placed in such a densely-populated residential community. Due to the associated pollution and hazards of chemical spills, fires and explosions, these plants are placed in remote areas or, as in the community of Quintana, Texas, the corporation offered to buy local homes at market value plus \$25,000 to cover the inconvenience of moving.

The community of Cove Point has not been given any choice in this situation. The planning and permitting process for the new facility have been rushed through with secrecy and lies. Dominion has donated tens of thousands of dollars to buy the community's good will. It gave the Calvert County government \$25 million to just think about the issue and has promised around \$40 million a year once the terminal is running. In return, the county has waived regulations and cut taxes. Meanwhile, the community's pleas for environmental impact and safety studies have been rejected or ignored.

Resistance to Dominion's terminal is strong and growing in the local community with support from allies up and down the East Coast. This is the familiar story of a large corporation lying and cheating to make profits without regard for human life or the future livability of the planet. Here is a peek into what is public knowledge, though there is likely much more that has been done in secrecy.

Dominion Steering, Gagging the County Government

The League of Women Voters [produced a timeline](#) showing that the Calvert Board of County Commissioners (BOCC) knew about Dominion's plans to expand the facility as early as the fall of 2011. In August 2012, the BOCC signed a [very broad non-disclosure agreement](#) with Dominion ([with support from the county attorney John Norris](#)) that not only prevented the commissioners from speaking in public about specifics but also prevented the public from gaining access to information through freedom of information tools. The agreement also stated that the BOCC was instructed to deny requests from regulators and the courts for information about the project and to notify Dominion immediately if such requests were made.

Dominion is also working to shut down public access to information in its home state, Virginia. [A bill recently passed](#) the Virginia legislature that would prevent public audits of Dominion's utility rates for five years. [Another bill](#) that would have forced Dominion to provide public access to documents related to its widely-opposed Atlantic Coast Pipeline project failed in the legislature.

Although the Calvert County BOCC had been meeting with Dominion for more than a year on local zoning and tax issues, the Cove Point community first found out about the magnitude and hazards of the project when an outside environmental group, Chesapeake Climate Action Network, informed them in October of 2013.

The first public hearing held by the Calvert County government on the Dominion project occurred on October 29, 2013. Billed as a meeting of the Calvert planning commission, the county commissioners were also present and placed prominently up front. [The meeting](#) was attended by hundreds of concerned citizens, with the vast majority [testifying](#) against the project. On the agenda at that meeting was a proposed law to waive county zoning regulations for Dominion, which included regulations designed to safeguard the community. Despite vocal opposition and considerable unrest at the meeting, four of the five members of the planning commission voted in favor of the exemptions for Dominion. Immediately, the BOCC closed the record and voted to waive the zoning laws.

Fortunately, a local group, AMP Creeks Council, sued the county over the waiver of zoning regulations and [won in August, 2014](#). The judge ruled that the law violated Maryland's Constitution.

The county's lack of regard for public concerns is displayed in a memo circulated prior to the next BOCC meeting on November 5, 2013. Written by the Director of Economic Development, the Director of Finance and the County Attorney, [the memo](#) recommended a plan to give a large property tax break to Dominion known as a Payment in Lieu of Taxes (PILOT). It went on to recommend that the county commissioners "conduct the public hearing, consider public testimony, take action to close the record and approve the Ordinance that amends the local law, and approve the PILOT and tax credit agreement with Dominion Cove Point LLC [emphasis added]." The County Attorney and other officials put into writing the sham nature of the public comments which were to be heard and then promptly ignored.

The PILOT plan originated in a [state bill](#) put forth by Senate President Mike Miller and Calvert County Senator Roy Dyson that was [signed into law](#) in May of 2013. The law required, among other things, that Dominion create only 25 permanent jobs. At the BOCC's public hearing to approve the PILOT, the Senate President, other members of the state legislature and trade union representatives [testified in support](#) of the proposal.

Dominion Donates Liberally to Political Campaigns and Civic Groups

When examining Dominion's donations to candidates, payments to the county for various services and donations to civic groups, it is important to remember that, as [The Washington Post reported](#): "Calvert County's commissioners voted unanimously to waive about \$506 million in county property taxes that Dominion would have owed over 14 years if the project is successfully completed. By comparison, the county's entire budget this year is \$309 million." The Post also reported that Dominion is avoiding federal taxes on this multi-billion-dollar project because "Dominion is organizing the Cove Point project as a master limited partnership, a separate legal entity that will exempt some of the company's earnings on the facility from federal corporate income tax." Dominion is not being generous. It is saving hundreds of millions of dollars.

According to Open Secrets, in the 2014 election cycle, Dominion spent more than \$1.3 million on donations to 125 candidates for the House of Representatives and 45 candidates for the Senate, as well as on various senate, house, governor and attorney general campaign committees and associations. The biggest recipient in Maryland was Steny Hoyer, a House leader and representative of the district that includes Cove Point. Hoyer received \$10,000 directly from Dominion and an additional \$30,000 from political action committees that Dominion supported.

Both Maryland senators also received large donations: \$10,000 to Senator Ben Cardin and \$11,000 to Senator Barbara Mikulski. State senator Roy Dyson, who introduced the bill which allowed the PILOT tax break to Dominion, received \$1,000.

Perhaps one of the most interesting donations was to Maryland Governor Martin O'Malley. He received a \$5,000 donation to his O Say Can You See PAC in July, just prior to his approval of a permit that allowed Dominion to build a temporary pier in a sensitive oyster area of the Patuxent River. [At the hearing for the permit](#), the governor read paperwork, typed on his iPad and fell asleep as residents testified about their concerns over the impact of the whole project in Cove Point on their health and safety. Dominion gave the governor's PAC another \$5,000.00 a few weeks afterward and then curiously took it back. The community gave the governor a [Golden Pillow award](#) for sleeping on the job.

Dominion also donated \$2,000 to Mike Evans' campaign for Calvert County Sheriff. But the sheriff's department, fire and police departments basically have a blank check from Dominion. In [cost-sharing plans](#) signed on June 26 with the sheriff, fire and police departments, Dominion agreed to cover the costs of personnel, training, certification and re-certification, including travel, capital expenses such as equipment, and any costs that are incurred while providing security or emergency services to Dominion.

Dominion currently covers the cost of 10 special operations personnel in the sheriff's department and has agreed to cover the costs of 21 more. In a [video](#), reminiscent of old propaganda films, the Calvert County Sheriff's Office special operations commander, Lieutenant Ricky Thomas, shows off two new patrol boats bought for them by Dominion. In fiscal year 2014, Dominion reported giving \$1.2 million to the Calvert sheriff's department, about [10% of the department's entire budget](#).

Additionally, in 2014, Dominion gave grants totaling [\\$22,000](#) to Calvert County public schools, [\\$27,500](#) to the College of Southern Maryland and [\\$50,000](#) to the Morgan State

University blue crab studies in nearby St. Leonard. According to Dominion, it has given [\\$500,000](#) to civic groups in Calvert County since 2002. This has likely generated a lot of good will from some members of the community.

Dominion is also selling the project to the community by promising jobs and a boost to the local economy. But questions remain about the true impact. Dominion's [website](#) states that it is providing 3,000 jobs during construction, but [its report](#) to the Department of Energy says that it is creating 2,700 to 3,400 "job-years" (the equivalent of 1,000 jobs per year for each of three years). Members of the local community [have complained](#) that Dominion is not hiring locals for the jobs. In the end, Dominion promises 75 new permanent jobs, but is legally only required to create 25.

Not being discussed are the potential negative impacts on the economy. Housing prices are already falling in Cove Point, leaving some residents trapped without retirement security. The refinery and export terminal may depress tourism, an important local industry. And the increase in cancer, disease and early deaths from the toxins released by the plant will place a financial burden on local families.

But the question must be raised whether any amount of economic benefit to the community, especially one that is temporary, is worth risking the health and lives of those who live close to Dominion's terminal. There are significant known and potential threats associated with Dominion's project that have been ignored.

Silencing Concerns about Health and Safety

At the October 29, 2013, public meeting, the [Calvert County Environmental Commission](#), which is tasked with providing "recommendations to the Department of Community Planning and Building, the Planning Commission, and the Board of County Commissioners on matters that affect the environment (air, land, and water) in Calvert County," [requested](#) that an Environmental Impact Statement (EIS) rather than a less substantial Environmental Assessment (EA) be conducted for Dominion's terminal. That request was denied.

This past [March](#), when the Environmental Assessment was completed, the Environmental Commission offered to read the EA and submit their comments to the BOCC, but they were told that their input wasn't necessary because the Federal Energy Regulatory Commission (FERC) would read the EA. In May, the Environmental Commission sent a letter to the BOCC outlining six areas of concern about the EA and offered to submit their concerns to the FERC. However, the county attorney John Norris advised them that the BOCC was the only body authorized to testify at the FERC hearings on Dominion's terminal. And in July, County Commissioner Susan Shaw [met with](#) the Environmental Commission and told them in no uncertain terms to butt out.

Community members [have also been asking](#) repeatedly that the project be delayed until an Environmental Impact Statement and a Quantitative Risk Assessment are conducted. However, FERC granted a permit in September, and construction has begun. Since then, a number of groups have filed an appeal of FERC's decision, and sought to have FERC stop construction and review the permit.

There are good reasons to be concerned about health and safety. Without adequate studies, the community has no way of knowing the full extent of risks; and due to the non-disclosure agreement, the BOCC has not discussed the risks. Dominion has a track record that shows it

can't be trusted. For example, when Dominion applied for its permit from FERC, it [left out the existence of 90 percent](#) of the surrounding population.

Despite the lack of studies, there are some known and potential hazards related specifically to the terminal in Cove Point. The Maryland Department of Natural Resources [estimated the emissions](#) from the new power plant being built at the terminal to provide energy for the refinery and liquefaction train. It found that more than 20 tons of pollutants will be emitted each year, including chemicals that will worsen ground-level ozone — which is already problematic in the area — and chemicals that cause cancer, respiratory and heart disease, neurological damage and risks to fetuses.

Dominion [purchased emission credits](#) that allow it to pollute the air in Cove Point. But credits won't help the local community that will suffer the effects of breathing polluted air. They will have more exacerbations of disease leading to higher medical costs, more visits to the hospital, more cancer and more premature deaths.

There are also real concerns about the potential for a chemical spill, fire or explosion at the terminal. Such events have occurred at Cove Point and other sites in the past. Large quantities of ammonia (which is lethal if inhaled), highly pressurized liquid propane (which is highly explosive), ethane and condensate will be stored on-site on a footprint that is smaller than other similar terminals. In their comments on the EA, Earthjustice writes that this close proximity [increases the risk of a cascading event](#) if there is a leak and fire. It also raises other risks unique to Cove Point: If an explosion occurs, the concussive impact can travel miles and the 60-foot "sound" wall could become shrapnel that also travels large distances.

In the case of a catastrophic event, the local residents may not be able to evacuate adequately. There are almost 2,400 homes including 19 in-home daycare centers and two elementary schools within a two-mile radius of the terminal. Because Cove Point is a peninsula, hundreds of families would have to drive toward the terminal to escape. Community members have been asking for a secondary evacuation road and an evacuation drill, but, so far, no actionable plans have begun.

There are more concerns about the impacts of the terminal on water, the Chesapeake Bay, noise and light pollution and traffic. These are outlined on the resource page at <http://www.wearecovepoint.org/resources/>.

We Are All Cove Point

In September, FERC granted a permit for Dominion's project to proceed at Cove Point, and construction started shortly afterward. Local members of the community who had tried to work within the legislative and judicial systems to halt construction until adequate health and safety studies had been conducted were dismayed, but they did not give up.

People were inspired by a group employing nonviolent direct action to stop a methane and propane storage cavern in Seneca Lake, New York, called "We Are Seneca Lake," and a new coalition formed in November called "[We Are Cove Point](#)." People and organizations from all over the East Coast joined the coalition in the recognition that stopping the terminal at Cove Point is fundamental to stopping fracking and new fossil fuel infrastructure and to mitigating the climate crisis.

Dominion [reports](#) that the terminal at Cove Point will be used to [export gas from the](#)

[Marcellus Shale](#), which covers seven states, and the Utica Shale in Ohio. This will require more fracking, pipelines and compressor stations to bring the gas to Cove Point and will place the health and safety of more communities at risk. In fact, Cabot Oil and Gas, a major fracker in Pennsylvania, has already [signed contracts](#) with the Japanese company Sumitomo to sell gas for twenty years starting on the date that the terminal at Cove Point becomes operational.

The terminal at Cove Point will release [more than two million tons of greenhouse gases](#) (GHGs) per year. This doesn't take into account the GHGs that will be emitted by associated compressor stations, from fracking, from pipeline leaks and from the burning of gas that is transported overseas. In an era where we are expected to reach our [maximum carbon budget by 2018](#), the addition of more GHGs will worsen the climate crisis for the whole world.

Resistance to Dominion's terminal at Cove Point and the associated infrastructure is rising. Communities in [Myersville](#) and [Leesburg](#) have risen up against the compressor stations being expanded there. [Residents of Southwestern Virginia](#) opposed to Dominion's Atlantic Coast Pipeline are refusing to allow Dominion surveyors onto their property and are now being sued by Dominion. Inspired by the fracking ban in New York, [Pennsylvanians](#) are pushing their new governor to stop fracking.

Members of We Are Cove Point engaged in nonviolent direct action beginning in November to raise awareness of the dangers of the terminal and to slow construction. So far, 31 people have been arrested for protesting the terminal. Some have gone to trial and a large group, which includes this author, has hearings on February 20 and 23 in Calvert County. It will be interesting to see how Calvert County responds to the protesters. Some will present a necessity defense arguing that the terminal is a danger to public health and safety and that other methods to address the danger have failed. There is little optimism that the trial will be fair given the influence that Dominion has in the county, particularly over the county attorney, police and sheriff's departments.

There have been more than 200 arrests for blocking construction at Seneca Lake, and many from We Are Seneca Lake have served time in jail as a result. Still, they remain resolute in their opposition — and so will the people of We Are Cove Point because in reality we are all Cove Point.

[To support our work to stop this terminal, please click here to donate.](#)

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