



## **PENNEAST PIPELINE JOB CREATION CLAIMS SIGNIFICANTLY OVERSTATED, STUDY FINDS**

**Rethink Energy NJ says renewable energy will create  
more jobs than fossil fuels**

***\*EMBARGOED UNTIL 1PM NOV. 4\****

**TRENTON, NJ, (November 4, 2015)** – A study commissioned by New Jersey Conservation Foundation of the economic impact analysis contained in the proposal to construct the PennEast gas pipeline in New Jersey and Pennsylvania concludes that the number of jobs claimed to be created by the project is significantly overstated.

The 71-page study conducted by [The Goodman Group](#), Ltd. (TGG) concludes the PennEast analysis has overstated the total jobs to be created by designing and building the pipeline “by approximately two-thirds or more.” TGG is a consulting firm specializing in energy and regulatory economics and economic development that analyzed the Keystone XL pipeline.

The TGG report also noted that construction jobs created would be “very short-term in nature” and that “half or more” would go to workers residing outside New Jersey and Pennsylvania.

“In comparison to employment impact studies for other comparable gas pipelines in the Northeast US, the PennEast Analysis multiplier of 10.7 jobs created per \$1 million of project cost is a real outlier,” said Ian Goodman, president and founder of TGG. “The multipliers for other similar gas pipelines are only 8-36% of the PennEast Analysis multiplier.”

Moreover, TGG concludes that ongoing economic benefits would be “infinitesimally small” in the context of the New Jersey economy.

According to the PennEast data, 10 ongoing jobs in New Jersey and 88 ongoing jobs in Pennsylvania would be created to operate and maintain the pipeline after its construction. The Goodman Group study points out that “as low as they are, the PennEast estimates of annual jobs from operations may still be overstated.” Other pipeline studies, notably for comparable Northeast U.S. gas pipelines, “estimate substantially lower job impacts from operations.”

“Even using the PennEast estimates, pipeline operations result in very small expenditures and would have very little positive impact on the economy, especially in New Jersey,” said Goodman. “Maintenance and operation of the pipeline will account for 0.0002 percent of total jobs in the state.”

The PennEast data also contains numerous internal inconsistencies and deviations from best practices for analyzing the economic impacts of gas pipelines, according to the Goodman Group.

“The PennEast jobs report inflates the short-term construction jobs by three times or more and is riddled with inconsistencies in its methodology and jobs claims. Clearly the PennEast information can’t be trusted,” said Tom Gilbert, campaign director – Energy, Climate and Natural Resources for New Jersey Conservation Foundation.

“The erroneous jobs claims made by PennEast hardly justify the construction of this massive pipeline that would damage more than 4,000 acres of preserved open space and farmland, impact numerous high quality streams and wetlands, and take private property from homeowners,” said Gilbert.

Speaking for the Rethink Energy NJ campaign, Gilbert said, “More jobs can be created by developing renewable sources of energy, like wind and solar, than further investment in fossil fuels like natural gas.” He cited a study by the Union of Concerned Scientists that found generating 25% of our nation’s energy from renewables by 2025 would create more than three times as many jobs as producing an equivalent amount of electricity from fossil fuels.

The ReThink Energy NJ campaign aims to inform and empower New Jersey citizens concerning the need for a swift transition to clean, efficient, and renewable energy, with reduced reliance on fossil fuels and pipelines that threaten preserved lands, water, environment and communities. Rethink Energy NJ is led by New Jersey Conservation Foundation, Stony Brook-Millstone Water Association and Pinelands Preservation Alliance.

The Goodman Group study, “Expert Report on the PennEast Pipeline Project Economic Impact Analysis for New Jersey and Pennsylvania,” is available at [njconservation.org/docs/PennEastEconomicReport.pdf](http://njconservation.org/docs/PennEastEconomicReport.pdf).

**About the authors: [The Goodman Group, Ltd. \(TGG\)](#)**

The Goodman Group, Ltd. is a consulting firm specializing in energy and regulatory economics. Since 1989, TGG has consulted and conducted economic research across a broad range of issues. Their North American-wide client base includes energy sector companies, regulators, government, customer groups, and environmental and indigenous groups. One of TGG's key areas of expertise

is economic development analysis (including employment impacts) of energy projects. In recent years, TGG has published several influential and widely publicized studies on the economic costs and benefits of various crude oil pipelines in North America. California-based Ian Goodman, the President and founder of The Goodman Group Ltd., and Ottawa-based Brigid Rowan have over 55 years of experience in the areas of energy and regulatory economics.

**Contact:**

Tom Gilbert, [tom@njconservation.org](mailto:tom@njconservation.org), 267-261-7325