Behind the local face of Berkshire Gas:  
a multinational giant is trafficking in fracked gas

Iberdrola Facts, June 2015

On June 2, the Federal Energy Regulatory Commission (FERC) approved a merger key to western Massachusetts: the take-over of Berkshire Gas by the Spanish conglomerate, Iberdrola. We ask:

• Should our future be determined by Iberdrola, a multinational energy company based in Bilbao, Spain?

• Why would Iberdrola want Kinder Morgan's Northeast Gas Pipeline natural gas to be ready for export at the Downeast and/or the Goldboro LNG export terminals as soon as possible?¹

• And why did Iberdrola just pay over five billion dollars to export liquefied natural gas (LNG) from the US Gulf Coast to Spain and the UK?

The answers to these questions involve a complex web of international interests.

On February 26, 2015, Iberdrola signed an agreement to buy out UIL, the holding company for Berkshire Gas.² This local electric utility is now virtually part of an energy behemoth with 'needs' and interests totally at odds with those of the residents of Franklin, Hampshire, Berkshire and other counties. One of these 'needs' is for "new gas supplies."³

Where will this gas come from? First, let's look at the size and growing monopoly of Iberdrola. Some statistics:

30: the number of countries in which Iberdrola has operations

3: the number of countries in which Iberdrola owns part or all of a natural gas regasification facility.⁴ These include facilities in Spain, UK and the Netherlands.

¹ DowneastLNG has received all necessary permits from the Federal Energy Regulatory Commission and from the US Department of Energy. PieridaeEnergy just snagged a partial export permit from the US Department of Energy for FTA - Free Trade Countries. The export permit for non-FTA countries has been deferred.

² The merger between UIL, the holding company for Berkshire Gas, has been approved by the US Justice Department and the Federal Trade Commission under the Hart-Scott-Rodino anti-trust law. On June 2, 2015, the Federal Energy Regulatory Commission (FERC) also approved this merger, Docket#EC15-103-000. With these regulatory hurdles crossed, it is highly likely that MA DPU and CT PURA will quickly follow suit.

³ "Iberdrola is looking for new gas suppliers." EN Energy News, 6/13/2014

⁴ After gas has been liquefied at an LNG terminal it is shipped by tanker to its destination port. It then has to be turned back into a gaseous state so it can be transported by natural gas pipelines to market. Due to favorable permitting, a considerable amount of natural gas imported to Spain is then off-loaded from
4: the number of underground, natural gas storage facilities (many in underground salt formations) owned by Iberdrola in the US Gulf Coast. Then there is the gigantic storage hub in Alberta, Canada, tied into the Trans-Canada Pipeline. Oddly, Iberdrola counts these gas storage facilities as part of the company's "renewables."

28,200: Iberdrola employees worldwide

6: the number of electric utilities in the Northeast fully owned by this Spanish company: Central Maine Power, Maine Natural Gas, New York State Electric and Gas Corporation, Rochester Gas and Electric, New Hampshire Gas Corp. - and now Berkshire Gas.

2.2 million: the number of Iberdrola's natural gas customers in the UK

.8 million: Iberdrola's natural gas customers in Spain

Over $5 billion: the cost of a 20-year contract signed on May 30, 2015, by Iberdrola and Cheniere Energy for the sale of a huge amount of natural gas - 1 billion cubic meters of LNG per year - for the next 20 years from Cheniere in Corpus Christi, TX, to Iberdrola, for customers in Spain and the UK.

Yes! LNG from the US Gulf Coast is to be shipped 4,000+ miles across the Atlantic to Spain for use there or for further export ("reloading"). Why would a Spanish company ship natural gas from the US across the Atlantic?

1. Iberdrola "needs" gas for its millions of customers worldwide. Furthermore, since gas contracts usually extend for 10-20 years, companies like Iberdrola operate on a long-range time-frame. For example, Iberdrola has a large gas contract to buy gas from the Italian gas company Eni. But this contract expires in 2017. Thus, the company is looking to replace it. The same with its contract with Algeria's Sonatrach, which expires in 2026.6

2. The company is concerned about sources of gas from hydraulic fracturing ("fracking") at home: 400 towns in Spain have opposed fracking, plus the four regions of Catalonia, Cantabria, La Rioja, and Navarra. The Spanish government wants to override these local bans.

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3. According to GreenpeaceSpain, Iberdrola has worked "intensely" to wreck the renewable energy sector there, assuring demand for natural gas. This may seem counter-intuitive, as the company owns wind farms in Europe and several US states. However renewables, although good for the company's image, make up only a small percentage of its world-wide income. Natural gas sales, LNG and gasification facilities and nuclear power plants provide the bulk of its profits.

4. There are also partial fracked gas bans in place in the UK, thus the "need" for Iberdrola to import gas into England and Scotland.

What does this mean for residents of western Mass. and New England as a whole?

Local decision-making on energy matters takes place in a globalized world of huge multinational corporations calling the shots.

The urgent need to control climate chaos by halting any further investment in fossil fuel and nuclear facilities is ignored, for the profit of 'global players' and their local supporters.

An uninformed public is manipulated into accepting 'business as usual.'

Can we find another way?

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