

E & E Greenwire

EPA to FERC: 'We really need to talk'

[Hannah Northey](#), E&E reporter

Published: Monday, October 24, 2016

U.S. EPA is seeking a headquarters-level discussion with the Federal Energy Regulatory Commission to promote deeper, more comprehensive climate reviews of proposed natural gas pipelines.

"We as an agency think they need to take a more comprehensive approach to analyzing greenhouse gas emissions for natural gas projects," said Ken Westlake, who heads the National Environmental Policy Act section for EPA's Region 5 Office in Chicago.

"There have been a number of new pipelines or extended pipelines proposed to cross the country this year, and this particular letter represents us saying to FERC, 'We really need to talk comprehensively about FERC's approach to greenhouse gas analysis in their NEPA documents.'"

So far, it's radio silence.

"We have not received any reply from FERC," Westlake said in an interview.

The meeting request was spurred by EPA last week [accusing](#) FERC of ignoring its request for a deeper look at downstream greenhouse gas emissions from the \$1.4 billion Leach Xpress natural gas pipeline, which TransCanada hopes to build in the heart of the Marcellus and Utica shale plays ([Greenwire](#), Oct. 13).

Westlake today said EPA's push goes far beyond Leach Xpress.

"It's not just for this project," he said. "It's a policy conversation we need to have with FERC about their approach to greenhouse gas emissions across future" environmental impact statements.

FERC declined to comment.

EPA officials last week said they want a "definitive resolution" through a sit-down meeting and expressed concern about FERC's approach in light of the White House issuing a guidance that advises all agencies to quantify projected emissions for energy projects whenever the necessary tools, methodologies and data inputs were available.

As the lead agency on NEPA reviews for gas pipelines, compressor stations and export terminals, FERC takes comments from advisory agencies like EPA.

Westlake noted that EPA's comments are advisory only and the agency cannot compel FERC to hold a headquarters-level gathering to discuss policy.

"We try to choose our words carefully and promote ongoing relationships," he said. "Ultimately, we cannot compel them to have a meeting. We think we've made it clear such a policy discussion would be beneficial, and we'll continue to make that point until we see progress."

EPA, he added, is looking for more consistency in pipeline reviews and for a life-cycle analysis of emissions to be standard practice for FERC on gas pipelines. He noted the White House Council on Environmental Quality guidance clearly advises agencies across the board on how they ought to approach the issue of climate change and said EPA is encouraging other agencies to take an approach that follows the CEQ guidance.

EPA officials said they want to meet before FERC makes a decision on the Leach Xpress, partly to make sure the agency digs deep into downstream emissions from other projects under NEPA going forward.

Some analysts question whether FERC would grant EPA's wish.

ClearView Energy Partners LLC analyst Christi Tezak told clients in a note last week that EPA's request is "highly unusual" and that it's not clear whether it would affect the proposed Leach Xpress. The project's approval could come late this year.

Although FERC has expanded the scope of its environmental reviews for gas projects under NEPA over the past year, EPA has repeatedly found the reviews wanting, Tezak wrote.

"In some respects, we think the EPA's recommendations appear to reflect a concerted effort to change how the FERC manages the mechanics of the certificate process under the Natural Gas Act (NGA), not just NEPA reviews," she wrote. "At this juncture, we're not sure such efforts will succeed."

Tezak also noted some inconsistencies, pointing to FERC analyzing emissions from gas use for some projects but not others. That, she said, could leave developers open to delays or even legal challenges.

FERC, for example, didn't quantify downstream indirect greenhouse gas emissions from the Leach Xpress pipeline but did analyze those emissions in an environmental impact statement for the Mountain Valley pipeline, which would stretch 300 miles from northwestern West Virginia to southern Virginia.

"The variation between FERC's indirect GHG emissions analyses," Tezak wrote, "could leave some projects more vulnerable to challenge in court than others."