

# FERC shifts policy to limit climate consideration

[Sam Mintz](#), E&E News reporter  
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The Federal Energy Regulatory Commission today changed its policy on when it will consider and disclose the upstream and downstream impacts of greenhouse gas emissions connected to natural gas projects it reviews.

The move triggered frustration from the two Democrats on the majority-Republican commission, who both said they believe that the change is unlawful and that it undermines an ongoing, comprehensive review of pipeline policy at the agency.

The shift came as FERC [denied](#) a rehearing request for its approval of Dominion Energy Transmission Inc.'s New Market Project, a series of upgrades and new construction for natural gas compression stations in New York.

In rejecting the rehearing request of Otsego 2000, a New York environmental nonprofit, the FERC majority — including Chairman Kevin McIntyre and Republican Commissioners Neil Chatterjee and Robert Powelson — argued that information FERC was previously including in its review of projects about the potential climate impacts of natural gas consumption and production was "generic" and "inherently speculative."

Since 2016, FERC has been including estimates of upstream and downstream greenhouse gas emissions in its pipeline orders. A court decision last year found that downstream greenhouse gas emissions of a specific project were to be considered an indirect impact, which critics said meant that FERC needed to do more in its environmental reviews to consider emissions impacts.

But the decision today, some say, moves the commission in the opposite direction.

"Providing a broad analysis based on generalized assumptions rather than reasonably specific information does not meaningfully inform the Commission's project-specific review," FERC wrote. "Nor is it helpful to the public if the Commission provides such broad and imprecise information. Rather, doing so muddles the scope of our obligations under [the National Environmental Policy Act] and the factors that we find should be considered under [the Natural Gas Act]."

The majority wrote that FERC's policy moving forward is to analyze upstream and downstream environmental effects of a project only when they are "indirect or cumulative impacts" as determined by Council on Environmental Quality regulations.

FERC's two Democratic commissioners, Richard Glick and Cheryl LaFleur, both dissented from the order.

Glick said the FERC majority is taking on a "remarkably narrow view of its responsibilities under NEPA and the NGA's public interest standard."

Under the new policy, he said, even if FERC knows that new pipeline facilities would have an environmental impact, the commission is not obligated to consider them.

"That approach violates NEPA's requirement that federal agencies take 'a hard look at [the] environmental consequences' of their decisions," Glick wrote.

He and LaFleur also both said they find it problematic that the policy was changed at the same time as FERC undergoes a major, comprehensive review of its pipeline permitting policy, which has not been updated since 1999.

"I am particularly troubled that this policy shift is occurring a few weeks after we initiated a generic proceeding to look broadly at the Commission's pipeline review, and more specifically at the Commission's current policy regarding consideration of upstream and downstream impacts," LaFleur wrote in her dissent.

Experts have said the pipeline review could be a forum for FERC to make broad changes to the way it considers climate impacts ([Greenwire](#), April 25).

Gillian Giannetti, a staff attorney with the Natural Resources Defense Council, said that her organization "fundamentally disagrees with the majority's conclusion."

She also noted that it's the second time in recent weeks that FERC has made a major policy decision in the course of ruling on an otherwise routine order. In March, the Republican majority voted to revise its policies to more strictly adhere to the agency's rules for formal intervenors to join proceedings "out of time" or late, a move that critics said could chill public participation in the agency's review of pipelines ([Greenwire](#), March 27).