

FERC's Updated Certificate Policy Statement and Interim GHG Policy Statement

March 9, 2022

Council of Industrial Boiler Owners

Matthew J. Agen
Assistant General Counsel
American Gas Association



Overview

- *Certification of New Interstate Natural Gas Facilities*, Docket No. PL18-1-000, 178 FERC ¶ 61,107 (2022) (“Updated Certificate Policy Statement”)
- *Consideration of Greenhouse Gas Emissions in Natural Gas Infrastructure Project Reviews*, Docket No. PL21-3-000, 178 FERC ¶ 61,108 (2022) (“Interim GHG Policy Statement”)

Updated Policy Statement on Certification of New Interstate Natural Gas Facilities

Determining Need

- FERC will weigh the public benefits of a proposal, the most important of which is the need that will be served by the project, against its adverse impacts.
- Precedent agreements alone will not be sufficient to evidence need. FERC will look at other evidence of need.
- For all categories of proposed projects, FERC encourages applicants to provide specific information detailing how the gas to be transported by the proposed project will ultimately be used, why the project is needed to serve that use, and the expected utilization rate of the proposed project.
- FERC will consider both current and projected future demand for a project based on the evidence in the record. Applicants are encouraged to submit analyses showing how market trends as well as current and expected policy and regulatory developments would affect future need for the project.
- Where an applicant fails to carry its burden of demonstrating the proposed project is needed, the Commission will not undertake any further consideration of the project's benefits or adverse effects.

Updated Policy Statement on Certification of New Interstate Natural Gas Facilities

Consideration of Adverse Effects

- FERC to consider four major interests that may be adversely affected by the construction and operation of new projects:
 - the interests of the applicant's existing customers;
 - the interests of existing pipelines and their captive customers;
 - environmental interests;
 - the interests of landowners and surrounding communities, including environmental justice communities.

Assessing Public Benefits and Adverse Effects

- In assessing the public benefits of a project, FERC intends to consider all benefits that will be provided by the project.
 - The most important consideration in assessing benefits will be the evidence demonstrating that a project is needed.
- In assessing the adverse impacts of a proposal, FERC will consider the range of impacts to the four groups above.

Interim GHG Policy Statement

Quantifying GHG Emissions and Determining Significance

- FERC will quantify a project's GHG emissions that are reasonably foreseeable and have a reasonably close causal relationship to the proposed action, including those effects that occur at the same time and place as the proposed action and effects that are later in time or farther removed in distance from the proposed action.
 - Including GHG emissions resulting from construction and operation of the project, as well as downstream.
- FERC will consider all evidence in the record relating to a project's estimated GHG emissions.

GHG Mitigation

- Project sponsors to mitigate a project's direct GHG emissions.
- Encourages project sponsors to propose mitigation of reasonably foreseeable indirect emissions.
- FERC may require additional mitigation of a project's direct GHG emissions as a condition of the authorization, should the Commission deem a project sponsor's proposed mitigation inadequate to support the public interest determination.



- TrueBlueNaturalGas.org
- [AGA_naturalgas](https://twitter.com/AGA_naturalgas)
- [naturalgas](https://facebook.com/naturalgas)
- [aga_natgas](https://instagram.com/aga_natgas)

The American Gas Association, founded in 1918, represents more than 200 local energy companies that deliver clean natural gas throughout the United States. There are more than 76 million residential, commercial and industrial natural gas customers in the U.S., of which 95 percent — more than 72 million customers — receive their gas from AGA members. Today, natural gas meets more than one-third of the United States' energy needs.

www.agi.org