

FERC Issues Updated Guidance Manual for Environmental Report Preparation Under the Natural Gas Act

Last week, the Federal Energy Regulatory Commission (FERC) issued an update to its *Guidance Manual for Environmental Report Preparation for Applications Filed Under the Natural Gas Act*. The updated guidance follows a *Notice of Availability of the Draft Guidance Manual for Environmental Report Preparation and Request for Comments* issued by FERC staff on December 18, 2015. The final updated guidance issued last week largely tracks the substance of the December 18, 2015 draft. FERC staff, however, made clear that the final updated guidance manual “does not substitute for, amend, or supersede the Commission’s regulations under the Natural Gas Act of 1938 or the Commission’s and Council on Environmental Quality’s regulations under NEPA [National Environmental Policy Act of 1969]” and that the new manual “imposes no new legal obligations and grants no additional rights.”

Applicants for required authorizations from FERC under the Natural Gas Act must submit environmental reports, known as resource reports. The updated manual provides more detailed guidance regarding what is required (and suggested) in each resource report. The revised manual is divided into two volumes, expanding FERC’s most-recent 2002 guidance manual by nearly 300 pages.

FERC staff has made some significant changes in the updated manual, including advising applicants to examine how their project could be impacted by the effects of global warming, and to quantify their project’s local and regional contribution to global warming. For example, Section 4.6.4.3 of Resource Report 6 states that applicants should “assess the proposed design in the context of climate change and anticipated sea level rise or storm surge flooding,” if the project is located within a floodplain. In Resource Report 9, FERC staff has both expanded the report’s suggested application and shifted the focus of the report to include climate data and additional air quality reporting. The 2002 guidance manual required this report only for applications involving compressor facilities at new or existing stations, and for all new LNG facilities. The updated guidance for Resource Report 9, however, states that while this report is *required* for the same facilities, all project applications *should* file this resource report.

Related Capabilities

- Energy & Natural Resources
- Environmental

Under Section 9.1.1 (Existing Air Quality), the updated guidance similarly includes many more suggested reporting details. The 2002 guidance provided a two-sentence description of obligations under Section 9.1.1. While the 2002 guidance focused its evaluation of existing air quality on nitrogen dioxide emissions in the project area, the updated guidance specifies the use of a broader approach, requiring analysis of a larger list of criteria air pollutants, including: carbon monoxide, nitrogen oxides, sulfur dioxide, particulate matter, lead, and ozone. Moreover, the updated guidance advises that an applicant “should provide a general description of climate conditions in the project area,” including climate data identifying “average low and high temperatures during various seasons, average precipitation and type, and wind conditions and directions.”

The updated guidance also expands the analysis of air quality impacts from projects in Resource Report 9, requiring examination of a broader range of construction and operational activities. While the 2002 guidance focused its analysis of construction impacts on potential noise pollution, the updated guidance requires an analysis of estimated direct emissions during project construction of criteria pollutants, volatile organic compounds (VOCs), total hazardous air pollutants (HAP), and greenhouse gases (GHGs). The revised guidance uses a broad definition of construction activities to include site grading, excavation, trenching, pile-driving, HDD operations, filling, demolition, pipe removal, drilling activities, delivery vehicles, delivery barge emissions, dredging, fugitive dust, clean/pigging activities, open burning, and tailpipe emissions from construction equipment and workers commuting.

With regard to operational activities, the updated guidance expands beyond the prior focus on air quality impacts from compressor stations to require analysis of all emission-generating equipment to be installed as part of the project. Moreover, the updated guidance requires an new analysis of air quality impacts associated with operation of pipeline facilities, calling for estimates of operation and emissions of methane, GHGs and other pollutants associated with fugitive gas releases from the pipeline, valves, meter stations, regulation facilities, and pig launcher/receivers along the pipeline.

While these are a few examples among many changes to the guidance manual, the impact of the updated guidance may be significant. The suggested reporting details now included in the manual may force applicants to meet such reporting requirements or face additional regulatory scrutiny and delay in obtaining a certificate for their natural gas infrastructure project. It is unclear at this time how this updated guidance manual may change as the Trump Administration develops new NEPA policies and directives, so stay tuned.