

HEADLINES

Fact Sheet | Updated Pipeline Certificate Policy Statement (PL18-1-000)

February 17, 2022

The update of FERC's 1999 Policy Statement on the certification of new interstate natural gas facilities provides a more comprehensive analytical framework for the Commission's decision-making process. The policy statement includes the first revision in more than 20 years to the Commission's policy for the certification of new interstate natural gas projects under section 7 of the Natural Gas Act (NGA). Key areas are outlined below.

Project Need

The Updated Policy Statement reaffirms the Commission's commitment to consider all relevant factors bearing on the need for a project.

- Precedent agreements between non-affiliates remain important evidence of need but will no longer be the sole factor the Commission considers.
- The Commission will also consider the circumstances surrounding the precedent agreements, as well as other evidence of need, including demand projections underlying the capacity subscribed, estimated capacity utilization rates, potential cost savings to customers, regional assessments, and statements from state regulatory commissions or local distribution

companies.

- The Commission will look for information about the intended end use of gas to help explain why a project is needed.

Impacts on Existing Customers of Pending Projects before the Commission

The Commission's existing policy regarding financial subsidization by existing customers remains unchanged.

Impacts on Existing Pipelines and their Customers

The Commission will consider a proposed project's impacts on existing pipelines, including whether the captive customers of existing pipelines will end up paying for unsubscribed capacity on existing pipelines that results from overbuilding of new lines.

Environmental Impacts

Environmental impacts will be considered, along with all other impacts, as part of the Commission's public interest determinations under the Natural Gas Act. In considering adverse impacts, the Commission will consider the extent to which those impacts can be mitigated.

Impacts on Landowners

The Commission will, to the extent possible, consider a wider range of impacts to landowners.

- The Commission's consideration of landowner impacts will be based upon robust early engagement with all interested landowners and continued evaluation of input from landowners throughout any given proceeding.
- The Commission will consider what a pipeline applicant already has done to acquire lands through good-faith negotiation, as well as an applicant's plans to minimize the use of eminent domain upon receiving a certificate.

Impacts on Environmental Justice Communities

In evaluating a project's impact on the surrounding community, the Commission will undertake a robust consideration of impacts to any environmental justice communities. The Commission will continue to evaluate and incorporate, as appropriate, any subsequently issued guidance by other authoritative sources when considering how to identify environmental justice communities affected by a proposed project. The Commission encourages project developers to do the same.

- The Commission will not use a one-size-fits-all approach and will ensure selected geographic areas of analysis are consistent with best practices and federal guidance.
- Tailoring mitigation options to meet the needs of different environmental justice communities will require close consultation between the project developer, the communities in question, and the Commission, consistent with its *ex parte* regulations.

Assessing Public Benefits and Adverse Effects

Consistent with the 1999 Certificate Policy Statement, the Updated Certificate Policy Statements states that the more interests adversely affected, or the more adverse impact a project will have on a particular interest, the greater the showing of public benefits from the project must be to balance the adverse impact.

- The Commission will consider all benefits, including, most importantly, the need satisfied by the project, as well as, for example, whether the project will displace more pollution-heavy generation sources, facilitate the integration of renewable energy sources, or result in a significant source of jobs or tax revenues.
- The Commission will deny an application if the total adverse impacts outweigh the benefits of the project and cannot be mitigated or minimized.

Applicability of the Updated Certificate Policy Statement

The Updated Certificate Policy Statement does not establish binding rules. It is intended to explain how the Commission will consider applications to build new interstate natural gas facilities.

- It will not apply retroactively to cases where a certificate has already been issued.
- It will apply only to pending and new projects; those applicants with projects now pending before the Commission will have the opportunity to supplement their records, if necessary. Stakeholders will have the opportunity to comment on any additional information filed.

Documents & Docket Numbers

- [PL18-1 News Release](#)
- [PL18-1 Staff Presentation](#)

Contact Information

News media

Telephone: [202-502-8680](tel:202-502-8680)

Toll-free Telephone: [1-866-208-3372](tel:1-866-208-3372)

Email: MediaDL@ferc.gov

This page was last updated on February 17, 2022