Proposed Legislation Seeks to Improve Pipeline Permitting

BY MARTIN EDWARDS

There has been a lot of talk about the benefits of America's abundant natural gas supply, but a crucial component that is less focused on is the physical pipeline infrastructure needed to transport it. To ensure that pipelines can be built or expanded in a timely manner to meet our nation's high demand for this cleaner-burning fuel, a predictable regulatory process is needed. This is why the Interstate Natural Gas Association of America (INGAA) and its member companies have supported a bill introduced by Rep. Mike Pompeo (R-Kansas) to improve the permitting process for natural gas pipelines. The bill was approved by the U.S. House of Representatives Energy and Commerce Committee on July 17, and as of the publication of this article, is awaiting action by the full House.

Pompeo's legislation (H.R. 1900) seeks to give the Federal Energy Regulatory Commission (FERC) the authority to establish a schedule for other federal agencies to issue pipeline permits. The U.S. Congress, recognizing that pipelines are important and take time to build, passed legislation in 2005 that sought to streamline federal permitting. Even with these good intentions, permitting times have increased since the legislation's enactment, according to a December 2012 INGAA Foundation report. The primary reasons, the study found, were that FERC had no ability to enforce deadlines on other permitting agencies, and there were no consequences for agencies that missed deadlines.

The bill would give FERC the ability to enforce natural gas pipeline permit deadlines at other federal agencies. Specifically, supporting federal agencies would have 90 days, plus the possibility of a 30-day extension for "unforeseen circumstances," from when FERC completes an Environmental Impact Statement or an Environmental Assessment on a natural gas pipeline project to issue permits. In other words, supporting agencies would have 90 days after the National Environmental Policy Act (NEPA) review of the project to approve associated permits. Permits would be approved automatically if a permitting agency failed to act by the FERC-established deadline.

Pompeo's bill would ensure time certainty for the industry, allowing companies to solidify their project planning quickly to attract capital. With timely review, approval, siting and permitting of pipeline infrastructure, project delays would be reduced, helping to prevent cost overruns. For consumers, the success of this bill would bring them much-needed, cleaner-burning, affordable natural gas.

Passage of this legislation would not undermine the environmental review process. INGAA fully agrees that the environmental review should be thorough and accurate, and that FERC should take the time it needs to ensure it is handled that way. The 90-day clock envisioned in this bill would not begin until after FERC has finished its NEPA obligations on the project.

Natural gas is used in a variety of applications that touch the lives of virtually every American. It accounts for roughly a quarter of all United States energy use and is directly linked to the creation of jobs, economic health and an improvement in air quality. The impact natural gas has on the U.S. economy is enormous, and this legislation would help ensure that this clean-burning, domestic, abundant and affordable fuel is used to its fullest capacity.

As we build necessary energy infrastructure, we need to be mindful of the processes in place for pipeline approval, the lead times involved, and the potential for improving upon the existing framework. Clear deadlines would bring action and accountability to all permitting agencies, and this would improve what is already a good process. ✪

Martin is the Vice President of Legislative Affairs for the Interstate Natural Gas Association of America. During his tenure at INGAA, some of his projects have included the Pipeline Safety Act of 1996, the One-Call Notification Act of 1998, the Pipeline Safety Improvement Act of 2002, and the Energy Policy Act of 2003.