

# The Permitting Process



**The process for reviewing and approving new or expanded interstate natural gas pipelines is robust and transparent. The process is defined in the Natural Gas Act, which authorizes the Federal Energy Regulatory Commission, or FERC, to review and approve proposed pipeline projects.**

In order to approve a new or expanded interstate natural gas pipeline under the Natural Gas Act, FERC must find that the proposed pipeline meets “the public convenience and necessity.” Ten years ago, the entire permitting and certificate process, from the start of development to the in-service date, averaged three years in length. It now takes an average of four years to permit a major project, and sometimes longer.

*There are five main stages in the permitting and approval process before actual pipeline construction can begin:*

## 1 Project Developer Assesses the Market

The pipeline planning process starts well before submitting a FERC application. The project developer’s first step is to gauge market support for a proposed new pipeline or capacity expansion through informal discussions with potential customers. Project developers do not build pipelines on speculation. Adequate market support must be demonstrated, most typically in the form of firm contracts, to support both project financing and FERC approval. A project developer will then host an “open season” to see who would be willing to commit to a firm contract to transport natural gas via the new or expanded pipeline if it is built. The project developer may also inform the local community and officials along the proposed route about the potential project. If there is not sufficient market support, the project does not progress further.

## 2 Project Developer Enters FERC Pre-Filing

Most project developers will use FERC’s pre-filing process for their large projects. The goal is to start discussions with FERC about route options, permitting requirements, and options to mitigate adverse impacts on landowners, communities and the environment. A project developer will continue working with various federal and state permitting agencies to obtain necessary environmental permits. Projects often remain in the pre-filing process between 6 to 12 months. The goal is to identify and resolve as many issues as possible before filing a formal application with FERC.

## 3 Project Developer Files a Formal Application

The developer files a formal FERC certificate application. Under the National Environmental Policy Act (NEPA), FERC must determine whether the project will cause a significant impact on the environment. As a part of this process, FERC will prepare either an environmental assessment or an environmental impact statement, as appropriate. FERC reviews the pipeline’s proposed route and often proposes alternatives. As the environmental review process moves forward, various permitting agencies – both federal and state – are a part of the review process. The formal application process typically takes 10 to 14 months to complete, but can take much longer for large projects.

## 4 FERC Issues a Certificate

After FERC completes its NEPA environmental review, FERC may issue a certificate of public convenience and necessity. However, almost all FERC certificates contain numerous conditions that must be met. These conditions usually reflect the findings of the NEPA document, including mitigation efforts to avoid environmentally or culturally sensitive areas. FERC may also limit construction to only certain times of the year to mitigate effects on endangered or threatened species.

## 5 Project Developer Obtains Outstanding Authorizations

Beyond FERC, interstate natural gas pipeline projects may require authorizations or reviews by other federal agencies and state agencies acting under federal law. For example, the Army Corps of Engineers must authorize project discharges to wetlands, and the Environmental Protection Agency or delegated states have authority under the federal Clean Air Act to authorize air quality impacts. Coordinating multi-agency reviews is challenging.

Construction Can Begin