

# The FERC Greenhouse Gas and Environmental Justice Policy Act

The FERC Greenhouse Gas and Environmental Justice Policy Act of 2025 will require the Federal Energy Regulatory Commission (FERC) to assess and mitigate the impacts that natural gas pipelines approved by FERC under the Natural Gas Act (NGA) will have on climate change and Environmental Justice communities.

In particular, the FERC Greenhouse Gas and Environmental Justice Policy Act of 2025 will amend the NGA by adding the following requirements:

- When determining whether a proposed natural gas pipeline “is or will be required by the present or future public convenience and necessity” – the standard the NGA requires FERC to use in approving a pipeline – FERC shall determine:
  - whether the environmental effects of the pipeline, including on climate change and Environmental Justice communities, are “significant;”
  - If significant, whether they can be mitigated;
  - If significant, whether the environmental effects outweigh the benefits of the proposed pipeline; and
  - Whether the proposed pipeline is necessary to ensure energy reliability and affordability.
- Each FERC commissioner will assess how significant an impact a proposed new pipeline would have on climate change and Environmental Justice communities. Assessing significance alone will not pre-determine whether the proposed pipeline has met the public convenience and necessity test. Instead, each commissioner will weigh significant adverse impacts against the benefits of the pipeline in determining whether it should be issued a “certificate of public convenience or necessity” – i.e., approved.
- FERC shall evaluate the effects of a proposed pipeline on Environmental Justice communities based on all evidence in the record, including with regard to:
  - Existing environmental and public health stressors;
  - Adverse environmental and public health stressors resulting from or associated with the proposed pipeline;
  - The presence or absence of adverse cumulative stressors; and
  - Other factors, as identified by FERC and the affected communities, following a meaningful opportunity for public engagement.

- FERC shall base its quantification of the reasonably foreseeable amount of greenhouse gas (GHG) emissions resulting from the proposed pipeline on the evidence entered into the record, including:
  - the projected capacity of the pipeline;
  - the projected utilization rate of the pipeline;
  - the construction and operation of the pipeline;
  - the projected downstream and upstream GHG emissions and effects resulting from the pipeline, including those resulting from the combustion of the natural gas and from leakage or other release of the natural gas; and
  - other factors, identified as by FERC.
- In determining whether a proposed pipeline is significant, FERC shall consider that:
  - No community should bear a disproportionate share of the adverse environmental and public health consequences that result from FERC's approval of the pipeline;
  - It is in the public interest for FERC, where appropriate, to limit the future placement and expansion of a pipeline in Environmental Justice communities.
- FERC is required to determine that a proposed pipeline has a significant effect on climate change if it has reasonably foreseeable emissions of at least 100,000 metric tons per year of carbon dioxide equivalent. This is the amount of GHG emissions generated by a natural gas plant providing electricity to about 25,000 homes for a year.
- FERC will consider one metric ton of methane to be equivalent to 84 metric tons of carbon dioxide, which is the amount that the Intergovernmental Panel on Climate Change has calculated as the global warming potential of methane when considering its impact over a 20-year timeframe.
- FERC shall require an applicant to submit a proposal for how the applicant will mitigate some or all of the environmental effects of the proposed pipeline.
- FERC shall, to the extent practicable, attach to the issuance of a certificate and to the exercise of the rights granted thereunder, conditions that require the holder of the certificate to address any potential adverse effects.
- For any proposed pipeline for which FERC does not require conditions that mitigate or offset the significant environmental effects, FERC shall provide a detailed explanation as to why.