

# Who Regulates Interstate Natural Gas Pipelines?



## Federal Energy Regulatory Commission (FERC)

FERC authorizes and regulates the siting, approval, and certification of new and existing interstate natural gas pipeline and storage facilities. In addition, the Commission sets the rates pipelines are allowed to charge to transport natural gas through their infrastructure.

## Approval, Permitting, and Certification:

Enacted in 1938, the Natural Gas Act authorizes FERC to review and approve a proposed interstate natural gas pipeline or storage facility. In deciding whether to certify a project, FERC determines whether a proposed pipeline meets the “public convenience and necessity” by weighing its benefits against potential harms. When granting a certificate, the Commission will specify the conditions under which the pipeline can be constructed and approved, including the route the pipeline will follow. As part of the certificate process, FERC acts as the lead federal agency for environmental review under the National Environmental Policy Act.

## Pipeline Rates:

Interstate natural gas pipelines do not sell natural gas, only transportation and storage services. Pipeline rates are the charge to move a customer’s gas from one point to another. FERC sets the maximum amount each pipeline may charge at an amount that the agency deems “just and reasonable.” FERC determines the just and reasonable rate pipeline-by-pipeline through a thorough process that examines each pipeline’s capital investment, costs, and business risk. The pipeline’s customers and consumer advocates can participate and weigh in on what rate is just and reasonable.

## Pipeline and Hazardous Materials Safety Administration (PHMSA)

PHMSA, part of the U.S. Department of Transportation (USDOT), establishes national pipeline safety policy, sets and enforces safety standards, and conducts research to prevent incidents. PHMSA’s regulations set requirements for the design, material selection, construction, testing, operations, inspection, and maintenance of interstate pipelines. PHMSA also prepares the public and first responders to reduce consequences in the unlikely event that an incident occurs.

## Environmental Protection Agency (EPA)

EPA regulates air emissions, water pollution, and waste management from interstate natural gas pipelines and related facilities. The Clean Air Act is implemented by EPA and is designed to reduce air pollution that harms public health and the environment. EPA’s regulations apply to equipment and activities used for the design, construction, operation, and maintenance of the interstate natural gas industry. To regulate these emissions, the agency issues performance standards, emissions guidelines, and national emissions standards for hazardous air pollutants.

## **Transportation Security Administration (TSA)**

The TSA within the Department of Homeland Security (DHS) regulates interstate natural gas pipeline security pursuant to the Aviation and Transportation Security Act. TSA regulates cybersecurity for the nation's most critical pipelines, and remaining pipeline systems operate under a structured oversight program that includes both physical and cybersecurity mitigation measures and controls.

## **Cybersecurity and Infrastructure Security Agency (CISA)**

CISA, which resides within DHS, acts as the nation's risk advisor and has some security regulatory oversight of pipelines through the Chemical Facilities Antiterrorism Standards (CFATS). CFATS regulates physical and cybersecurity risk for covered facilities, many of which INGAA pipelines service. CISA is also charged with implementing the Cybersecurity Incident Reporting for Critical Infrastructure Act (CIRCI) requirements, which mandate that the agency develop, implement, and deconflict cybersecurity incident reporting regulations for critical infrastructure within the United States. The agency also offers supportive voluntary resources for cybersecurity assessments and monitoring for pipeline and other critical infrastructure owners and operators.

## **United States Coast Guard (USCG)**

The USCG has regulatory authority over Maritime Security Transportation Act (MTSA) facilities, including LNG export terminals and pipelines with a nexus to export terminals (i.e. a refined products and chemicals). MTSA regulates the physical and cybersecurity measures of assets that transport hazardous materials over waterways and their adjacent ports.



## **Securities and Exchange Commission (SEC)**

The SEC regulates the financial securities of publicly traded companies. The SEC has now issued regulations requiring that publicly held companies report material cybersecurity incidents and disclose additional cybersecurity governance measures to the agency through regular filings.

## **U.S. Fish and Wildlife Service (FWS)**

The U.S. FWS reviews a proposed project's potential impacts on threatened and endangered species and wildlife habitats along a project's right of way.

## **U.S. Army Corps of Engineers (USACE)**

The USACE reviews a proposed project's crossing of wetlands and waterways. Permits issued by the USACE authorize various types of development projects in waters of the United States (WOTUS). For example, Nationwide Permit 12 (NWP 12) authorizes construction, maintenance, repair, and removal of oil and natural gas pipelines and associated facilities in the WOTUS that meet specific conditions and have, at most, minimal effects on WOTUS.

## **States and Tribes**

Some federal statutes authorize states or Tribes to review certain aspects of proposed interstate natural gas pipelines.

**Clean Water Act § 401** allows states and authorized Tribes to review the effects of discharges from construction of proposed pipelines into WOTUS located within the state or Tribal territory. The state or Tribe may grant, deny, or waive certification of the proposed pipeline based on how the discharges affect compliance with water quality standards.

**Clean Air Act Title V** authorizes state and local authorities to issue operating permits that include requirements necessary to comply with air pollution controls.