

Permit rewrite is no 'slam dunk' for stalled pipelines

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Washington, 19 October (Argus) — A push by President Donald Trump's administration to revise water permit guidelines probably will not revive construction on a handful of stalled pipeline projects anytime soon.

The US Environmental Protection Agency (EPA) is working to update guidelines that tell states how to issue so-called section 401 water permits for pipelines and industrial projects. The administration started the initiative amid complaints that water permits have become a vehicle for states to block development.

New York over the past three years, for example, [blocked](#) the Constitution pipeline and [halted](#) the Northeast Supply Enhancement project by denying them water permits. The two pipelines, proposed by midstream operator Williams, represent \$1.7bn in investment and are intended to boost natural gas deliveries upstate and into New York City.

Williams is now working with state and federal regulators, and has also filed a federal lawsuit, in hopes of getting the permits needed to begin construction. But company executives say although EPA's efforts to update its permit guidelines are a step in the right direction, they might not be enough to get the projects approved.

"Everything helps, but that is not a slam dunk solution," Williams senior vice president of corporate strategic development Chad Zamarin said this week on the sidelines of the Energy Dialogues' North American Gas Forum in Washington, DC.

EPA has said the changes to its guidelines would seek to "promote nationwide consistency" and offer more certainty to permit applicants. The changes could attempt to narrow the scope of what state permitting officials can cite as the grounds for denying a permit, those familiar with the initiative say.

But EPA earlier this week said it intended to propose the changes in December 2019, which means final changes would not go into effect until 2020 at the earliest. And states could still deny permits if they focused on water quality. Industry officials say resolving their concerns would probably require legislative changes, something environmentalists would oppose.

"That is opening up the Clean Water Act," Zamarin said. "That is a pretty heavy lift in this current kind of political environment."

Pipeline groups say they support EPA's initiative. The Interstate Natural Gas Association of America said it has long pushed for clarification on issues such as permitting deadlines, the appropriate scope of permit reviews and when states should be considered to have waived their permitting authority.

US nearing finish line on oil, gas rule rollbacks

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Washington, 17 October (Argus) — President Donald Trump's administration says it is six months away from finishing work to overhaul the previous administration's rules on offshore drilling, vehicle fuel-economy standards and methane leaks.

Those timelines were announced today in the administration's fall regulatory agenda. The upcoming revisions are part of a first round of major deregulatory actions for the oil and gas sector since Trump took office, giving the administration a shot at revising federal requirements adopted under former president Barack Obama it says are unnecessary or too costly.

The oil sector is expected to save more than \$170mn/yr on compliance from the upcoming revisions to offshore drilling rules and methane leak restrictions. The fuel-economy rollback could also generate billions of dollars a year in revenue for producers and refiners from a projected 500,000 b/d increase in US oil demand.

The regulatory changes will have to survive an awaiting barrage of lawsuits from states and environmentalists to have a long-term effect. Critics say the administration has relied on faulty economic assumptions and strained legal reasoning to justify rolling back rules that were recently found to be cost effective and necessary. Those legal battles are expected to play out through the end of Trump's first term in office.

"At the end of the day we may not know what the policy regime looks like until 2020 at the earliest," the White House's former top energy aide Mike Catanzaro said on 15 October at Energy Dialogues' North American Gas Forum in Washington, DC.

The regulatory change closest to completion would revise offshore drilling safety requirements imposed after the 2010 Deepwater Horizon oil spill. The US Bureau of Safety and Environmental Enforcement said it expects to finish the [change](#) by December. The changes are projected to save industry \$99mn/yr through less frequent testing and more flexibility.

The US Environmental Protection Agency (EPA) says it plans to complete a [rule](#) that could halt fuel-economy standards for cars and pickup trucks by March. EPA the next month wants to reduce the [stringency](#) of methane regulations for new oil and gas facilities, saving industry \$75mn/yr through less frequent leak detection and other changes.

EPA also says by December it will finish [repealing](#) guidelines for states to reduce ozone-forming emissions from oil and gas producers. The next month it plans to complete [a proposal](#) that would mostly repeal tougher accident prevention rules for refineries and chemical plants.

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