Faulty Info Let $3.5B Pipeline Proceed, Enviros Tell FERC

By Carolina Bolado

Law360, Miami (March 27, 2017, 10:19 PM EDT) -- Environmental groups urged the Federal Energy Regulatory Commission Friday to block construction of a $3.5 billion natural gas pipeline that would run from Alabama to Florida, claiming the agency relied on faulty information over a coal-fired power plant's expected closure in determining the project was necessary.

In a request for a supplemental environmental impact statement, the Sierra Club and Gulf Restoration Network said FERC's greenlighting of the Southeast Market Pipelines Project was done on the premise that in 2017 Florida would lose 375 megawatts of coal-fired capacity from St. Johns River Power Park. That turned out to be false, according to the groups.

The approval was based on a need found by the Florida Public Service Commission in 2013 that the pipeline would address a substantial increase in demand for natural gas in 2017 associated with the Port Everglades Energy Center and the loss of the St. Johns coal plant, according to the filing. But since then, Florida Power & Light Co.'s disclosures have undercut those findings, and the utility now says it has recourse for the loss of the coal plant and has acknowledged that solar power is capable of satisfying energy demand by 2020.

“Simply put, because the coal-fired capacity at St. John's will last until 2020, and solar is capable of satisfying peak demand and outperforming gas plants by that time, there is no need for natural gas at St. Johns and no need for the project to supply it,” the groups said. “Given this information, the commission should reconsider the need for the project.”

They added that the environmental impacts of the pipeline have proven to be more destructive than the commission considered or than was disclosed to the public.

“Such misinformation prejudiced the commission's consideration of the project's impacts on the public and the environment,” the groups said. “Under these circumstances, both the Natural Gas Act and the National Environmental Policy Act impose an affirmative duty on the commission to reopen the record and conduct supplemental analysis on the merits.”

The project, a joint venture of Duke Energy, FPL parent NextEra Energy Corp. and Spectra Energy Corp., involves the construction and operation of approximately 685 miles of a natural gas transmission pipeline to provide transportation of gas to markets in Florida and the Southeast.
The Sierra Club and two Georgia-based nonprofits, Flint Riverkeeper and Chattahoochee Riverkeeper, are also challenging FERC's approval of the project in petitions before the D.C. Circuit in which they argue that the commission's National Environmental Policy Act analysis and issuance of the certificates authorizing construction were arbitrary and capricious.

The groups said FERC didn't properly consider the impacts of the project on minority and low-income communities. About 83 percent of the project would cut through these communities, the groups said. They also argued that FERC didn't consider greenhouse gases and climate change when conducting its environmental review.

The developers of the project said the environmental groups' petitions mount no serious opposition to FERC's core findings that public convenience and necessity require approval of the project.

--Additional reporting by Keith Goldberg and Adam Lidge. Editing by Bruce Goldman.
Government Agencies

- Federal Energy Regulatory Commission
- Florida Public Service Commission

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