

- desirable in the public interest, Commission may by order direct a natural-gas company to extend or improve its transportation facilities;
2. To establish physical connection of its transportation facilities with the facilities of, and sell natural gas to, any person or municipality engaged or legally authorized to engage in the local distribution of natural or artificial gas to the public; and
  3. Extend its transportation facilities to communities immediately adjacent to such facilities or to territory served by such natural gas company.

### **Time to reconsider and revisit**

As Chairman Glick wrote in his Concurring Opinion in [New Fortress Energy LLC, ORDER ON SHOW CAUSE, 174 FERC ¶ 61,207 \(March 19, 2021\). Docket No. CP20-466-000](#):

*1. We concur in today's order finding New Fortress Energy LLC's liquefied natural gas (LNG) facility subject to the Commission's jurisdiction under section 3 of the Natural Gas Act (NGA). We write separately to explain our view that **it is time to reconsider our precedent in Shell U.S. Gas & Power, LLC (Shell), which held that a facility must be connected to a pipeline to be a jurisdictional LNG terminal.**<sup>1</sup> ....*

*3. Nowhere does the statute say that a facility must be connected to a pipeline to qualify as an LNG terminal and, thus, come within the Commission's jurisdiction under section 3.<sup>4</sup> **We should revisit Shell to ensure that we are carrying out our statutory responsibilities under the letter of the law.**"*

*1 Shell U.S. Gas & Power, LLC, 148 FERC ¶ 61,163, P 43 (2014).*

*4 See Lomax v. Ortiz-Marquez, 140 S. Ct. 1721, 1725 (2020) ("[T]his Court may not narrow a provision's reach by inserting words Congress chose to omit."): Virginia Uranium, Inc. v. Warren, 139 S. Ct. 1894, 1900 (2019) (plurality opinion) (The Court's "duty [is] to respect not only what Congress wrote but, as importantly, what it didn't write.").*

### **Summary: safety, environmental, and economic consequences**

Developers are taking advantage of the loophole FERC created in disclaiming jurisdiction over small-scale inland LNG export facilities. Such facilities are thus lacking FERC's environmental, construction, and safety oversight, causing risk of **"loss of life and significant environmental and economic consequences,"** according to FERC's own strategic plan.

Some of the economic consequences of FERC's tilting of the playing field were expressed by Floridian Natural Gas Storage (FGS) on June 12, 2015, as [Accession Number: 20150612-5136](#) in Docket No. CP13-541:

*"During its pendency, the Commission has determined that certain LNG projects are outside its jurisdiction, **permitting those projects to compete free from the FERC regulatory burdens that FGS and other FERC-regulated projects bear in what has become an active, urgent and highly competitive small-scale LNG market.**"*

What FGS views as regulatory burdens we view as public goods of construction, environmental, and safety review, but the FGS point remains that competition has been warped by FERC's inland LNG export decisions.

Exacerbating the problem, the U. S. Department of Energy is authorizing LNG exports from