

New Jersey Division of Rate Counsel Argues Against Greenlighting of Transco Pipe Line Project

March 18, 2024 | [Anree G. Little](#), [Jeffrey A. Schwarz](#), [Scott H. Strauss](#)

On March 15, 2024, firm partner [Jeffrey Schwarz](#), on behalf of the New Jersey Division of Rate Counsel, argued in the D.C. Circuit ([recording](#)) to vacate a Federal Energy Regulatory Commission (FERC) order greenlighting Transcontinental Gas Pipe Line Company's (Transco's) Regional Access Expansion Project (REAE).

The project will enable Transco to transport up to 829,400 dekatherms of gas per day, which is enough to serve approximately 4.4 million homes annually, [according to Transco's website](#). New Jersey gas distribution companies contracted for the rights to about 56% of REAE pipeline capacity, but the New Jersey Board of Public Utilities studied the issue extensively and concluded that they already had enough firm pipeline capacity and other supplies, without the REAE project, to meet customer demand even on extra-cold "design" days.

The REAE project is estimated to cost almost \$1 billion to build and, if used to full capacity, would transport enough gas to increase New Jersey's greenhouse gas (GHG) emissions by almost 12 percent, which could seriously hinder efforts to achieve legally-mandated GHG cuts of [80 percent by 2050](#).

Mr. Schwarz told the court that FERC gave too little weight to state law, which requires both GHG cuts and reduced gas consumption, and to the Board's determination that New Jersey distribution companies don't need the extra pipeline capacity. He also explained that FERC failed to perform its duty under the Natural Gas Act to weigh the project's benefits against its needless ratepayer costs and ongoing damage to the climate and state climate policy.

With Mr. Schwarz on the briefs were firm partner [Scott Strauss](#) and associate [Anree Little](#).

Rate Counsel intervened before the D.C. Circuit to support challenges brought by: New Jersey Conservation Foundation, New Jersey League of Conservation Voters, Aquashicola Pohopoco Watershed Conservancy, and landowner Catherine Folio; the Delaware Riverkeeper Network and Maya van Rossum, the Delaware Riverkeeper; and Sierra Club and Food & Water Watch.

Press coverage:

Niina H. Farah, *DC Circuit case pits pipeline expansion against NJ's climate ambitions*, E&E News By Politico, March 18,



2024, <https://www.eenews.net/articles/dc-circuit-case-pits-pipeline-expansion-against-njs-climate-ambitions/>.

Ry Rivard, *Federal court wrestles with pipeline case that could derail New Jersey's climate goals*, Politico, Mar. 14, 2024, <http://www.politico.com/news/2024/03/15/federal-court-wrestles-with-pipeline-case-that-could-derail-new-jerseys-climate-goals-00147344>.

Maya Weber, *Judges probe FERC reasoning on Transco's Regional Energy Access pipe expansion*, S&P Capital IQ, Mar. 19, 2024, <https://www.capitaliq.spglobal.com/apisv3/spg-webplatform-core/news/article?id=80906472>.

Related Practices and Services

- Litigation and Appeals
- Natural Gas