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CLIENT ALERT

FERC Proposes a Faster Path for LNG Expansions

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Liquefied natural gas ("LNG") operators may gain a faster route to expand existing plants, replace equipment, and remove operating bottlenecks. On October 15, 2026, the Federal Energy Regulatory Commission ("FERC" or "Commission") proposed a blanket-authorization program for eligible activities at LNG import and export terminals and interstate LNG plants. Qualifying work could proceed without a separate Commission order for each project. The time savings could be meaningful, particularly where a project-specific FERC proceeding would otherwise drive the schedule. However, the proposed 60- and 90-day notice periods would determine only when the blanket authorization takes effect, and only if no protest is pending. Expiration of a notice period would not by itself allow construction to begin or facilities to be placed in service.[1]

[1] Authorizations for Certain Activities at Liquefied Natural Gas Plants, Notice of Proposed Rulemaking, Docket No. RM26-2-001, 197 FERC ¶ 61,036 (2026) ("NOPR"), 91 Fed. Reg. 66492 (Oct. 20, 2026).

The program remains a proposal. An operator would need an effective final rule, its own blanket authorization, and compliance with the conditions for the particular activity before using it. Comments in Docket No. RM26-2-001 are due December 21, 2026.[2]

Why This Matters: Regulatory Reprieve for Eligible LNG Facility Work

Currently, operators of existing LNG terminals and LNG plants may need to file case-specific applications and obtain new public interest determinations from FERC for facility modifications, equipment replacements, and capacity expansions after the initial authorization has been granted. The opportunity presented by the NOPR would streamline the authorization process and extend beyond low-cost maintenance activities. FERC proposes no dollar ceiling for eligible LNG facilities and auxiliary systems; eligibility would turn on the work, existing approvals, design limits, footprint, and safety and environmental conditions. A costly brownfield improvement could qualify, while a smaller project outside those limits could still require case-specific review. Related pipeline work needs a separate analysis: the proposal retains pipeline-program cost limits for Natural Gas Act ("NGA") section 3 terminal pipeline facilities, and section 7 pipeline facilities remain governed by Part 157 of FERC's regulations.[3]

Three Proposed Paths for LNG Facilities

The program would cover both section 3 terminals and section 7 LNG plants, including interstate peak-shaving facilities. Operators would first apply for blanket authorization. Existing section 3 authorization holders would need a Commission-approved Emergency Response Plan with the required cost-sharing plan. Eligible projects would fall under one of three classifications based on how the work relates to a facility's physical footprint. The "footprint" means the area within the plant's security systems and within the areas protected from natural hazards.[4]

Automatic authorization. Eligible in-kind or upgraded component work within the existing plant footprint could proceed without a prior-notice filing, generally subject to 45-day landowner and local-municipality notification, specified waivers and exceptions, reporting, and other conditions. It could not increase authorized capacity, expand the previously approved vertical or horizontal extents, or exceed applicable design limits. The proposal limits changes affecting vessel traffic, facilities covered by prior federal pipeline-safety review, and proximity to nuclear facilities. The proposal also permits specified abandonments that protect existing customers and the remaining plant.[5]

60-day prior notice. Qualifying component and auxiliary-system work within existing LNG facilities and the existing plant footprint could increase authorized capacity, provided that it satisfies spacing, safety, reliability, and equipment-design requirements. This track could be useful for debottlenecking that the automatic category would not permit because it increases authorized capacity.[6]

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2 NOPR, proposed 18 C.F.R. §§ 153.103–153.105; *id.*, DATES and Request for Comments.

3 NOPR, PP 65, 68; proposed §§ 153.108(a)–(b), 153.109(c)–(d).

4 NOPR, P 74; proposed §§ 153.102(a)(9), 153.104(a)–(c).

5 NOPR, proposed §§ 153.103(d), 153.106–153.107, 153.108(c).

6 NOPR, proposed §§ 153.105(d), 153.108(d)(1).

90-day prior notice. New facilities, such as liquefaction trains, storage tanks, and marine transfer facilities, could be added within the authorized footprint or on adjacent land or waterways permanently occupying no more than 25 additional acres. The work would have to be on previously disturbed or developed land or waterways in industrially zoned or unzoned areas, use in-kind or upgraded facility designs previously evaluated and authorized at the plant, and satisfy specified setbacks from nuclear facilities. Projects could not be divided to evade the acreage limit. This is a bounded expansion pathway, not an authorization for a new greenfield terminal.[7]

Where Time Could Be Saved and What Would Remain

The proposed waiver of FERC's pre-filing regulations, which implement NGA section 3A(a), could remove a procedural stage that would otherwise be mandatory. That can have time-saving impacts. Mandatory pre-filing ordinarily prevents filing an application until at least 180 days after the Director of the Office of Energy Project's commencement notice. But many modifications to existing LNG terminals already avoid mandatory pre-filing when they raise no significant state or local safety considerations not previously addressed. A six-month saving should therefore not be assumed for every expansion.[8]

For prior-notice projects, the 60- or 90-day protest clock would run from the issuance of FERC's notice, not the applicant's filing. Any person or FERC staff could protest. An unresolved protest that is not dismissed would convert the request into a case-specific section 3 or section 7 application. Even dismissal can extend the notice process by up to 30 days beyond the original protest deadline. FERC seeks comment on narrower protest eligibility, but the proposed text does not adopt a standing requirement limited to materially affected persons.[9]

Technical and agency work would remain substantial. Prior-notice projects would receive project-specific National Environmental Policy Act ("NEPA") review or an applicable categorical exclusion. Depending on the activity, the filing would need Pipeline and Hazardous Materials Safety Administration siting documentation, Coast Guard materials, military concurrence, aviation information, and state and emergency-response documentation, together with applicable environmental consultations and permits. Some requirements allow a determination that further review is unnecessary or evidence of notification is sufficient rather than an affirmative approval. Automatic section 3 activities would also require military concurrence before construction. The precise package matters to the schedule.[10]

Prior-notice authorization also would not be the last FERC milestone. Written staff authorization would still be required before commissioning or introducing hazardous fluids and before placing the facilities in service. Automatic activities would be addressed through the rulemaking's programmatic NEPA review and would not require notices to proceed. Separate Department of Energy commodity export authority, air and other environmental permits, and connecting-pipeline approvals would still need to be reconciled with the project.[11]

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7 NOPR, proposed §§ 153.105(d), 153.108(d)(2), (f)(1).

8 NOPR, PP 121–24; 18 C.F.R. §§ 157.21(a)(2)(i), (e)(2).

9 NOPR, P 89; proposed §§ 153.105(c)–(h).

10 NOPR, PP 113, 115, 134, 156; proposed §§ 153.106(b), 153.107(a)(10), 153.108(e)(4), (7)–(16).

11 NOPR, Discussion III.C.5; proposed § 153.108(f)(2)–(3); 15 U.S.C. § 717b(a), (d), (e).

Section 7 Operators Should Check Rates and Replacement Authority

Section 7 LNG projects would remain subject to rate-treatment requirements drawn from the pipeline blanket program, even though LNG facilities and auxiliary systems would have no project cost cap. FERC proposes presumptive rolled-in treatment for automatic activities and links prior-notice rate treatment to its separate pipeline rulemaking. Section 3 terminals would not carry those section 7 rate conditions.[12]

The proposal also would phase out auxiliary-installation and replacement authority for LNG blanket-authorization holders and extend specified engineering conditions to LNG work remaining under 18 C.F.R. § 2.55. Both changes carry a proposed two-year transition. The preamble measures that period from the final rule's effective date, while proposed sections 2.55(d) and (e) measure it from publication of the final rule in the Federal Register. Operators should seek clarification and avoid building replacement schedules around either trigger until the discrepancy is resolved.[13]

What Operators and Their Counterparties Should Do Now

Screen the actual project. Match planned work to existing orders, approved drawings, capacity and design limits, land-disturbance history, zoning, and agency records. Confirm whether each component falls within the LNG or pipeline rules. Commissioner Chang's concurrence highlights the 90-day expansion category for further scrutiny, reinforcing the value of concrete engineering and land-use evidence in comments.[14]

Build two schedules. Keep the existing approval route as the base case and model a potential blanket route separately. Identify whether FERC review, another permit, equipment delivery, or construction is driving completion. Preserve time for notice, protests, agency coordination, commissioning, and in-service authorization.

Update transaction assumptions carefully. Lenders and buyers should determine what would prove blanket authority and project compliance if a new case-specific order is no longer required. Engineering, procurement, and construction milestones, feed-gas commitments, and offtake dates should reflect the full approval and construction schedule. The proposal supports earlier diligence and comment preparation, rather than immediate changes to binding delivery commitments.

12 NOPR, P 68; proposed § 153.108(e)(17).

13 NOPR, P 69; proposed § 2.55(d)–(e).

14 NOPR, Commissioner Chang, *concurring*, PP 4–9.

If you have any questions regarding this client alert, please contact the following attorneys or the Willkie attorney with whom you regularly work.

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