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CLIENT ALERT

FERC Targets Air Modeling Delays for Gas Projects

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AUTHORS

Fredrick Wilson | Emerson W. Girardeau, III | Divina Li

Natural gas developers could face fewer air-modeling requests in the Federal Energy Regulatory Commission's ("FERC") environmental review, potentially reducing consultant work and repeated rounds of technical questions. On October 15, 2026, FERC issued a draft policy statement that would end its ordinary practice of seeking air-dispersion modeling from applicants and requiring that modeling to assess the significance of operational air-quality effects under the National Environmental Policy Act ("NEPA"). The approach covers Natural Gas Act ("NGA") project reviews, including compressor stations and liquefied natural gas ("LNG") facilities.[1]

For developers, the practical benefit depends on whether FERC modeling is delaying the project or whether a state air permit or another requirement controls the schedule. Air permits, emissions limits, and a supported emissions record would remain necessary. The implementation comment period in Docket No. PL26-3-000 closed on November 16, 2026, and attention now turns to how FERC will address the comments in any final policy statement.[2]

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1 Environmental Review of Natural Gas Act Applications, Draft Policy Statement on Efficient Environmental Reviews of Natural Gas Project Applications, Docket No. PL26-3-000, 197 FERC ¶ 61,037, PP 1–5 (2026) (Draft Policy Statement).

2 Draft Policy Statement, P 5; FERC, FERC Launches NEPA Overhaul to Accelerate Natural Gas Projects (Oct. 15, 2026), https://ferc.gov/news-events/news/ferc-launches-nepa-overhaul-accelerate-natural-gas-projects.

What Would Change for Project Applications

Air-dispersion models estimate how emissions affect pollutant concentrations at surrounding locations. FERC has generally requested these studies for new or modified compressor stations and LNG facilities, sometimes requiring work beyond the scope needed for state air permits. The Draft Policy Statement would shift the routine operational review toward emissions data, mitigation, and compliance with applicable Clean Air Act ("CAA") requirements.[3]

Applicants would still provide equipment-source information and emission factors for criteria pollutants, hazardous air pollutants, and greenhouse gases, together with manufacturers' specifications and mitigation commitments. FERC staff would use those inputs to quantify estimated operational emissions. Engineering and environmental teams would therefore still need consistent equipment selections, operating assumptions, emissions estimates, and permit information.[4]

FERC states that it generally would treat operational air-quality effects as less than significant under NEPA where potential emissions increases are within CAA limits, as reflected in compliance with all pertinent permitting and regulatory requirements. Those effects would not independently require an environmental impact statement, although other project effects could. FERC also would continue to disclose air-quality effects and consider existing air quality, nearby sources, and community comments in its NGA review.[5]

Voluntary modeling would remain relevant. The draft says applicant-prepared modeling submitted voluntarily would be analyzed in the NEPA review for additional context. Developers should assess whether existing or tailored modeling would strengthen the project record, particularly where local conditions or specific objections warrant further analysis.[6]

Air Permits and Other Review Obligations Remain

The draft expressly leaves the obligation to obtain all necessary CAA permits unchanged. Modeling, controls, or other studies required by an air-permitting authority would still need to be completed. FERC's separate General Conformity responsibilities also would remain; Chairman Swett's concurrence explains that staff can require modeling when necessary to satisfy those responsibilities. With few exceptions, construction emissions drive that analysis, so applicants should keep it separate from the proposed change to routine operational modeling.[7]

Construction emissions and other resource effects would continue to receive review. The policy also does not dispense with greenhouse-gas emissions information or announce a new greenhouse-gas-specific significance methodology. Applicants should continue meeting FERC's requirements for existing air quality, project impacts, and mitigation information.[8]

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3 Draft Policy Statement, PP 14–17, 34–38.
4 Draft Policy Statement, P 35; Commissioner Rosner, concurring, P 3.
5 Draft Policy Statement, PP 37–39.
6 Draft Policy Statement, P 36.
7 Draft Policy Statement, PP 5, 14 & n.38; Chairman Swett, concurring, P 22 & nn.68–69.
8 Draft Policy Statement, PP 13–14, 33–35; 18 C.F.R. § 380.12(k)(1), (3), (5).

Confirm How the Policy Applies to Pending Projects

Although styled as a draft, the statement uses operative language describing what FERC will do and the reforms it adopts. It specifies neither an effective date nor a transition rule for pending applications. Applicants should confirm with staff how the approach affects outstanding data requests and completed studies before stopping technical work or changing an in-service forecast.[9]

That case-specific discussion should identify which studies support FERC's review, which support state or federal air permits, and which address a site-specific concern. Preserve completed analyses and document any agreed change in the scope of future submissions. A reduced FERC workstream will shorten the overall schedule only if it removes work from the project's critical path.

A Faster Review Still Needs a Defensible Record

The Commissioners disagree about the legal and practical consequences. Commissioner Chang dissented, arguing that CAA compliance cannot substitute for adequate assessment of local effects under NEPA and the NGA, and warning of greater appellate risk. Commissioner Rosner emphasized that state permits inform FERC's independent judgment rather than replace it, and that equipment-specific data and operating schedules remain important. Those views do not establish how a reviewing court would rule, but they underscore the value of a clear project-specific record.[10]

For lenders and investors, streamlined review would not establish construction readiness. Diligence should still address required air permits, consistency between permit assumptions and project design, material conditions, and potential timing consequences of additional information requests or litigation. Shippers and offtakers should base contractual milestones on the complete permitting and construction schedule.

What Developers Should Do Now

Reassess the technical scope. Separate routine FERC modeling from the work needed for air permits, General Conformity, and site-specific issues. Confirm which emissions data and mitigation commitments remain necessary before revising consultant scopes or budgets.

Test the schedule benefit. Identify whether the affected modeling is on the project’s critical path, and coordinate any change with engineering, permitting, financing, and commercial teams. Avoid treating fewer studies as a guaranteed reduction in approval time.

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9 Draft Policy Statement, PP 5, 39–40.

10 Commissioner Chang, dissenting, PP 20–21, 28–36, 39–48; Commissioner Rosner, concurring, PP 3–4.

Monitor the docket. Comments were due November 16, 2026. Developers should track any final policy statement and how FERC addresses pending data requests, coordination with air-permitting authorities, evidence of CAA compliance, and treatment of voluntarily submitted modeling. Commissioner Rosner also invited views on whether applicants should be required to file in the FERC docket the same materials they submit to state regulators.[11]

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

Fredrick Wilson	**Emerson W. Girardeau, III**	**Divina Li**
202 303 1038	713 510 1755	202 303 1164
fwilson@willkie.com	egirardeau@willkie.com	dli@willkie.com

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[11] Commissioner Rosner, concurring, P 5; FERC news release, supra note 2.