



Northeast Supply Enhancement Project Receives Key Environmental Permits

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On November 7, 2025, the New York Department of Environmental Conservation ([NYSDEC](#)) and the New Jersey Department of Environmental Protection ([NJDEP](#)) reversed their prior positions and approved Clean Water Act (CWA) Section 401 Water Quality Certifications and other environmental permits for the Transcontinental Gas Pipeline Company's (Transco) Northeast Supply Enhancement Project (NESE). NESE is a 25-mile natural gas pipeline expansion project certificated by the Federal Energy Regulatory Commission (FERC) that is intended to deliver 400,000 dekatherms per day of natural gas produced in Pennsylvania to local distribution company customers in New York City through new facilities in Middlesex County, New Jersey and an underwater segment traversing the Raritan and Lower New York Bays.

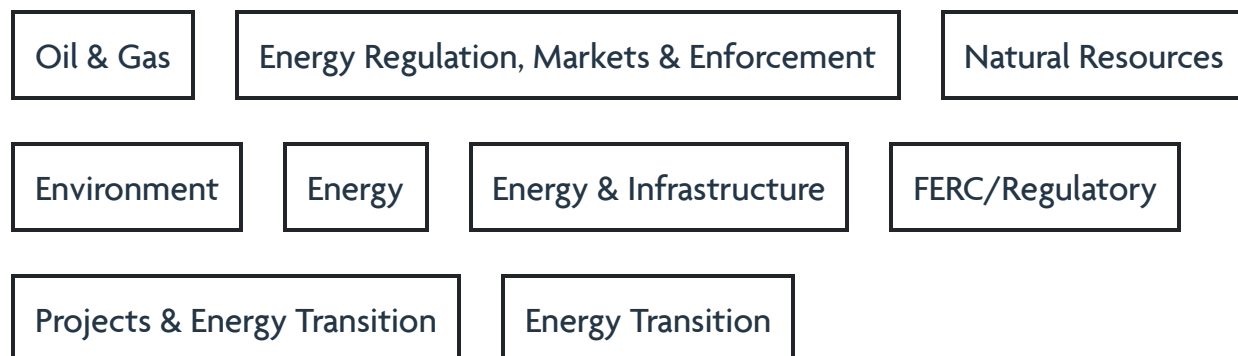
NESE initially received a certificate of public convenience and necessity from FERC for the project in 2019 under the Natural Gas Act (NGA), but its project sponsor ultimately canceled the project without initiating construction due to an inability to secure CWA and flood hazard permits from New York and New Jersey that were required by FERC. In 2025, following the President's declaration of an Energy Emergency in [Executive Order No. 14156](#) (E.O. 14156), Transco applied to reinstate the 2019 certificate, relying on FERC's prior environmental analysis. FERC granted the requested relief on August 28, 2025, and reauthorized the project under NGA section 7.

The states' changed position on the permits after rejecting prior applications made by Transco in 2018, 2019 and 2020, may portend a broader energy and environmental policy shift for several converging reasons. These include a surging demand for energy in the Northeast, forecasted grid reliability concerns in New York and historically high electricity prices in New

Jersey. New York's governor, Kathy Hochul, stated that the NYSDEC's decision is consistent with her administration's "all of the above approach" to addressing grid reliability and affordability. State officials also may be concerned about future actions by the federal government to force infrastructure development in the Northeast region in line with statements made in E.O. 14156, and seek to take greater control to maintain a level of state autonomy for federally permitted projects. Additional Northeast pipeline projects are anticipated to materialize. However, project opponents may try to challenge state-issued permits required for FERC-approved natural gas infrastructure, akin to a recent challenge to a Louisiana-issued Coastal Use Permit received by a liquefied natural gas terminal developer with FERC NGA section 3 authorization.

The Akin team will continue to monitor these regulatory developments. More information on Executive Orders impacting energy development can be found [here](#).

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