

Biden Administration To Delay Oil & Gas Leasing Amid Legal Appeal

The Biden administration will suspend or delay new federal oil and gas leasing following a court ruling against the process by which it calculates the social cost of climate change, the administration announced Saturday night.

On Feb. 11, Judge James Cain of the Western District of Louisiana, a Trump appointee, blocked the administration's method of calculating the social costs associated with greenhouse gases, the primary driver of climate change. The Biden administration had returned to Obama-era calculation methods, with plans to develop its own in the future.

In his ruling, Cain blocked federal agencies from considering findings from the White House Interagency Working Group, which had been tasked with devising new metrics based on the Obama-era calculations. It also bars the administration from considering the global impacts of greenhouse gas emissions, one of the major distinctions that made the Obama estimates far higher than the Trump administration's.

In a legal filing Saturday evening, the Justice Department asked the court to stay the injunction, citing the likelihood that its appeal of the decision will succeed.

"From President Nixon on, every President has imposed some internal Executive Branch requirement for federal agencies to assess the costs and benefits of major government actions," the filing states. "The injunction further calls into question the authority of the past three Administrations to provide standardized guidance to agencies on appropriate methods of estimating the social cost of greenhouse-gas emissions."

In the meantime, "work surrounding public-facing rules, grants, leases, permits and other projects has been delayed or stopped altogether so that agencies can assess whether and how they can proceed," the filing states.

"The Interior Department has assessed program components that incorporate the interim guidance on social cost of carbon analysis from the Interagency Working Group, and delays are expected in permitting and leasing for the oil and gas programs," Interior spokesperson Melissa Schwartz said in a statement Saturday night.

Cain issued the ruling in response to a lawsuit from 10 GOP-led states, agreeing that "the balance of the injuries" from considering those costs "weighs substantially in favor" of those states, saying it "directly causes harm" to their economies.

“The ... estimates artificially increase the cost estimates of lease sales, which in effect, reduces the number of parcels being leased, resulting in the States receiving less in bonus bids, ground rents, and production royalties,” Cain wrote.