

EPA Regulation of Methane Emissions

Background:

The industry supports ongoing emissions controls both through the cost-effective regulation of volatile organic compounds (VOCs) that reduce methane emissions and measurable industry action, like The Environmental Partnership, to incorporate methane-reducing technologies throughout the supply chain. Data gathered across the country continues to show that methane emissions from the U.S. natural gas supply chain remain at low levels and well within the range to provide a significant greenhouse gas benefit when used in electricity generation.

Since 2012, new sources of emissions from the oil and natural gas sector have been regulated by the EPA's New Source Performance Standards (NSPS OOOO). The 2012 rule regulated emissions of volatile organic compounds, which has the co-benefit of reducing methane emissions. In 2014, the Obama Administration published its Methane Strategy, which directed multiple federal agencies to consider action to reduce methane emissions. In 2016, the Obama Administration expanded the 2012 rule to cover additional sources and added methane as a regulated pollutant (NSPS OOOOa).

In March 2017, President Trump directed EPA to review NSPS OOOOa and take action to suspend, revise or rescind the rule. The EPA subsequently proposed two separate rulemakings in 2018 and 2019 to revise NSPS OOOOa. The first rule ("technical rule"), proposed technical changes to OOOOa and the second rule ("policy rule") reconsidered the direct regulation of methane.

EPA Action: In September, EPA promulgated two separate final rules,

On September 14, 2020, EPA finalized the policy rule revising the NSPS OOOOa rule adopted in 2016. This rule removed the transmission segment from the coverage of the rule and removed methane as a pollutant that is regulated by the standard. In doing so the EPA relied upon two rationales. First, the Agency determined that before it can expand a source category it must make a finding that the expansion "significantly contributed to endangerment of human health and the environment." It further concluded that if this finding must be made for the

inclusion of additional industrial sectors (such as natural gas transmission) and for the inclusion of additional pollutants. Secondly, EPA argued that the inclusion of methane in the rule provided little or no additional environmental benefit because methane had been effectively controlled by the existing VOC controls for the same facilities.

With respect to the ensuing litigation, on September 14th a group of states and municipalities and a coalition of environmental groups filed petitions to review the policy rule and filed motions to stay the rule. API and other industry groups intervened in these challenges and participated in the briefing on the stay. The motion is currently pending in the D.C. Circuit.

On September 15th, EPA published the final technical rule that

Several parties challenged this rule on September 15th and API intervened on behalf of EPA on October 15th.

API Position on Federal Regulation of Methane

API PUBLIC STATEMENT ON METHANE

The natural gas and oil industry supports ongoing emissions controls both through the cost-effective regulation of volatile organic compounds that reduce methane emissions and measurable industry action, like the Environmental Partnership, to incorporate methane reducing technologies throughout the supply chain. These efforts are working. While global emissions of methane are up, overall U.S. methane emissions are down even as America produces more affordable, reliable and cleaner natural gas.