

Trump's EPA starts broad rollback of safeguards that protect us from oil and gas pollution

What to know about the proposal, and what it means for the oil and gas industry

The Trump EPA has proposed to weaken the agency's oil and gas methane rules for new and updated industry facilities, known as the New Source Performance Standards.

This proposal would mean tens of millions of dollars of wasted American natural gas and a less efficient energy system. It also comes just a few months after a comprehensive study in <u>Science</u> found methane emissions from the U.S. oil and gas industry are 60 percent higher than EPA reports.

This action, and a second EPA proposal expected in the coming months to eliminate direct regulation of methane entirely, casts serious doubt on whether natural gas can play a productive role in the transition to a low-carbon economy and is little more than a giveaway to the most poorly operated companies in the industry.

EPA's proposal means more pollution and more wasted gas

Less frequent leak detection

A key part of the EPA's proposal weakens standards regarding how often companies have to look for and find natural gas leaks, known as leak detection and repair (LDAR).

EPA is proposing to change LDAR for:

- Regular wells from twice a year to once a year
- 'Low producing' wells from twice every year to once *every other* year
- Well sites where all major production and processing equipment has been removed from twice a year to never
- Compressor stations from four times a year to either once or twice a year

Extensive scientific studies have shown that methane leaks can happen anytime, anywhere. That means looking for leaks less often will result in more gas wasted. For instance in Colorado, which requires oil and gas companies to check for leaks either monthly or quarterly, companies found over 70,000 leaks from 2015-2018.

Millions of dollars of American energy wasted and more pollution for our families

EPA estimates that reducing leak detection by over 50 percent through these proposals, as well as the other proposed changes in the rule, will result over the next seven years in up to:

- 480,000 tons of additional potent methane released
- 120,000 additional tons of smog-forming compounds released
- 4,700 tons of additional hazardous air pollutants released
- Tens of millions of dollars of additional American natural gas wasted

Filled with loopholes

EPA has also proposed to let producers in many oil- and gas-producing states opt out of the federal rules. This include states like Colorado and California, which have strict methane pollution standards. However, it also includes states such as Texas, which is responsible for most of U.S. oil and gas production and whose LDAR provisions are minimal and apply to only a small fraction of wells in the state.

Trump EPA reduces its estimate of LDAR costs for the 2016 methane rule but moves to weaken anyways

In its analysis for the new rule, the Trump EPA re-analyzed the 2016 rule fugitive emissions standards and found the benefits to be even greater than the Obama EPA had estimated. Specifically, it found that the total annualized cost of compliance with the 2016 LDAR standards is \$188 million cheaper than previously thought. Additionally, it estimates that the 2016 LDAR standards are over 20 percent more costeffective than estimated in the 2016 rulemaking.

EPA admits that "semiannual monitoring may appear to be **cost-effective**" under its own updated analysis. This is not, however, what was proposed in the new rule—even with these revised estimates, Trump's EPA chose to move forward and weaken the standard.

Further rollbacks expected

This proposal is not just a technical change- it is part of a broad effort from the EPA and the Bureau of Land Management to **exempt huge swaths of the oil and gas industry from oversight** in an attempt to **ensure the vast majority of facilities can continue to pollute without restriction.**

This proposal is the first of EPA's two-part strategy to **eliminate direct regulation of methane emissions for** *all* **oil and gas sources**, and dramatically weaken standards for smog-forming volatile organic compounds for the few remaining sources still in play.

This is also likely a strategy to attempt to prevent future regulation of methane from oil and gas facilities that were already in operation before September 2015, which includes over 90 percent of the current industry landscape, with the goal of leaving a weakened federal framework that would only reduce oil and gas methane emission by about three percent by 2025.

Dismantling rules hurts the competitiveness of natural gas

To compete in today's energy landscape, companies have to be both cheap and clean.

While there are an <u>emerging number of companies</u> stepping up to reduce methane pollution, to-date they comprise less than 20 percent of all oil and gas production. Analysis shows that even if these producers reach their goals, it would lead to a 25 percent net increase in oil and gas methane emissions from 2017 by 2025. These voluntary measures are no replacement for federal standards; without a change of course, these proposed rollbacks threaten to take the entire oil and gas industry backward.