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Comments on Proposed Rule: Oil and Natural Gas Sector: Emission Standards for New, Reconstructed, and Modified Sources Review

Docket ID No.: EPA-HQ-OAR-2017-0757

The BlueGreen Alliance, a coalition of the nation's largest labor unions and environmental organizations, collectively representing millions of members and supporters, urges the Environmental Protection Agency (EPA) not to eliminate direct regulation of methane from the EPA's New Source Performance Standards (NSPS).

Methane must be directly regulated. The original methane standards—Oil and Natural Gas Sector: Emission Standards for New, Reconstructed, and Modified Sources—finalized by the EPA in August 2016, would protect workers and local communities, address climate change, and create jobs by driving deployment of cost-effective, available technology and practices to reduce methane leaks. The 2016 standards included common-sense measures to reduce methane emissions from new, reconstructed, and modified sources in the oil and natural gas sector. Weakening the 2016 rule is the wrong move—it would stifle job creation and innovation, waste resources, and endanger workers.

### **The 2019 Rollback Spells Bad News for the Climate, Economy, and Health of our Workers**

The 2016 standards were designed to prevent the release of methane emissions from new and modified sources in the oil and gas industry into the atmosphere, which in turn reduced the social costs associated with such releases, protecting communities from both methane and other harmful pollutants such as benzene and volatile organic compounds. The protections under attack were finalized after years of input from the public as well as the oil and gas industry. The Administration has already attempted to delay these safeguards, and this attempt was defeated in court last year.<sup>i</sup> Hundreds of thousands of Americans have also submitted public comments, urging the agency to keep these standards in place.<sup>ii</sup>

Oil and gas activities are the largest sources of methane pollution in the United States, and recent EPA inventories suggest that these emissions are 34% higher than originally estimated.<sup>iii</sup> Efforts to curtail this waste are vital to strengthening the economy and protecting the environment. Laws protecting public health and environmental protections have a successful history of pushing our nation's energy sector to evolve for the better.

The EPA is now proposing rolling back key elements of these common-sense and important protections. This includes removing all regulations from the entire natural gas

transmission and storage segment of the industry as well as all methane emissions standards for the entire oil and gas sector.<sup>iv</sup> The EPA's attempts to weaken strong methane protections come at the expense of the health and wellbeing of the environment, workers, and communities.

### ***The rollback threatens positive job impacts***

The 2016 methane rule would drive job creation and sustainment in proportion to a very nominal cost for upgrades in technology, equipment, and practices for the industry.

The BlueGreen Alliance's 2016 report, *Plugging the Leaks: Protecting Workers, Reducing Pollution, and Creating Quality Jobs by Reducing Methane Waste in the U.S. Oil and Gas Industry*, measured the effects of the 2016 rule on employment, measuring the annual full-time job equivalents for the economy as a whole, broken down into 11 major economic sectors. This study found that with continuing adoption of leak reducing technologies and practices at new and modified oil and gas facilities, the rule also suggested the creation of over 50,000 jobs over the first decade of full implementation of methane standards.<sup>v</sup>

These broadly positive employment results are due to the fact that the emissions reduction technologies modeled—specifically in leak detection and reduction—are more labor intensive than the oil and natural gas extraction industry on average. The manufacturing sector shows a significant increase in employment, which is due to the fact that it produces the equipment needed for the various emission reduction investments.<sup>vi</sup>

The increase in employment results in an increase in household income, which in turn results in increases in household purchases. These household purchases tend to be relatively concentrated in more labor-intensive industries, notably in services, accounting for the increases in employment in that sector, as well as in other sectors, including government, transportation, utilities, and agriculture.<sup>vii</sup>

The need to implement and operate more advanced equipment and apply more comprehensive leak detection and mitigation technologies over time suggests that jobs created directly in the oil and gas sector would not be temporal nor necessarily relocate. And while some jobs would engage engineering and other technical professions requiring advanced degrees, they mostly employ high skilled labor and trades professions complementing the pre-2016 workforce at oil and gas operations.<sup>viii</sup>

Additionally, the creation and sustainment of jobs is tied strongly to the investment and implementation of a rather well-defined set of cost-effective technologies and practices in the oil and gas sector, and may not totally offset job attrition resulting from “boom and bust” cycles to which the energy sector is often prone. However, the skill level needed and consistent nature of leak detection and mitigation activities entailed by the methane standard—employed industry-wide versus at a fraction of companies—offer a new avenue for steady job sustainment compared to ‘business as usual’ prior to the 2016 NSPS.<sup>ix</sup>

The jobs that would have been created and sustained by the 2016 rule are good jobs. Upgrading industry practices and outdated technology means better working conditions—with less exposure to carcinogens like benzene—and stronger job opportunities for frontline oil and gas workers. Additionally, a 2014 report from Datu Research entitled *The Emerging US Methane Mitigation Industry* found that the median hourly wage for this industry was \$30.88, compared to \$19.60 for all U.S. jobs. These jobs are diverse: the methane mitigation industry employs at least 30 key job types, in at least 531 locations across 46 states.<sup>x</sup>

If the 2016 standards are rolled back, all of the potential employment benefits from the rule are under threat.

### ***The rollback will harm the health of workers and communities***

The proposed rollback ignores the EPA's responsibility to protect the health of American workers and families. Exposure to harmful air pollution from the oil and gas industry can increase risk of asthma attacks and cancer.<sup>xi</sup> Industry practices emit volatile organic compounds (VOCs), which contribute to ground-level ozone. Exposure to such pollution causes shortness of breath, inflammation of and damage to the airways, aggravation of lung disease, increased asthma attacks, and creation of chronic obstructive pulmonary disease (COPD), among other effects.<sup>xii</sup> Oil and gas industry VOC emissions also include harmful toxins like benzene and ethylbenzene, which are known or suspected to cause cancer and other negative health effects.<sup>xiii</sup> These toxins create dangerous risks for both workers in the industry and communities living nearby. If the EPA guts the critical 2016 standards, our workers and families will pay the price.

The EPA admits that the proposal has negative health effects that have a disproportionate effect on children. In a notice in the Federal Register on an attempted delay of the rule in 2017, the agency noted that “the EPA believes that the environmental health or safety risk addressed by this action may have a disproportionate effect on children.”<sup>xiv</sup> Additionally, the EPA admits that weakening commonsense methane standards will “degrade air quality and adversely affect health and welfare.”<sup>xv</sup>

The standards that we have now are estimated to reduce emissions from over 36,000 wells across the United States. This would cut 21,635 tons of methane, around 6,000 tons of volatile organic compounds, and 450,000 pounds of toxic air pollutants each year. This is because natural gas leaks release not only methane, but a host of other dangerous pollutants as well—like the carcinogen benzene—that damage air quality and threaten the health of workers in the industry and nearby communities.

It is critical that the 2016 standards, which are working, be kept in place so that communities and workers living and working near oil and natural gas development are protected from harmful pollution.

### ***Methane leaks will exacerbate global climate change***

Methane is among the most powerful greenhouse gases, <sup>xvi</sup> and it is the second largest contributor to climate change.<sup>xvii</sup> While methane only makes up about nine percent of greenhouse gases, it is about 80 times more potent than carbon dioxide when it comes to trapping heat in the atmosphere.<sup>xviii</sup> Methane has up to 36 times more warming potential than carbon dioxide.<sup>xix</sup>

About a third of methane pollution is attributable to oil and gas operations,<sup>xx</sup> making the industry the largest source of methane emissions in the United States. While this can be due to accidental leaks, more often these emissions are due to outmoded practices and obsolete technology used by the industry during the gathering, transmission, production, and processing of natural gas.<sup>xxi</sup>

The EPA estimated that the 2016 rule would generate climate benefits of \$690 million in 2025, which would outweigh estimated implementation costs of \$530 million—netting climate benefits estimated at \$170 million in 2025.<sup>xxii</sup> In addition, the standards were estimated to prevent 170,000 to 180,000 tons of methane, 120,000 tons of VOCs, and 310 to 400 tons of hazardous air pollutants in 2020. The monetized climate benefit from reducing the methane emissions, not including job creation, equated to \$200 to 210 million in 2020 in social costs of reducing carbon.<sup>xxiii</sup>

Along with other rules the administration has recently released that weaken methane standards, the 2019 proposal would allow for far greater amounts of methane to leak into the atmosphere than if the 2016 standards were kept in place. Methane leaks do not occur on schedule—they can arise at any time and in any place down the supply chain. Combining this new rule with the rollback from 2018, we would see an increase of 2025 emissions by 4.3 million metric tons, VOC emissions by 1 million metric tons, and hazardous air pollutant (HAP) emissions by 38,000 metric tons.<sup>xxiv</sup>

### ***The rollback is unnecessary and wastes energy***

This proposed rollback is unnecessary. There are already cost-effective ways of detecting and repairing leaks and reducing methane emissions. The standards already in place utilize common-sense, cost-effective solutions to reduce emissions.

The EPA justifies its rollback by arguing that it hopes to avoid “unnecessary costs” to the oil and gas industry. Ironically, though, allowing methane to leak actually allows profits to disappear into thin air. In fact, the very leaks the standards aim to plug end up costing the industry billions of dollars every year. Nationally, methane emissions waste enough gas to heat nearly 10 million homes annually.<sup>xxv</sup>

### **Existing Standards Should Remain in Place**

Reducing methane leaks from the oil and gas sector reduces energy waste, spurs considerable job creation, protects workers as well as communities, and helps combat climate change.

The 2016 standard has the potential to achieve cost-effective methane emissions reductions and provide greater certainty. Updating industry practices and equipment to meet the standards will not just make workers and communities around the facilities safer and healthier, but will also generate and support quality, family-sustaining jobs. The BlueGreen Alliance supported the 2016 rule because of its potential for increased quality jobs and decreased methane leakage. Rolling these standards back would put our climate and our workers at risk.

While it is becoming clearer and clearer that climate change is real and urgent, this administration appears to be doing everything it can to ignore that reality at the expense of our health, our climate, and our jobs. We request that the EPA protect our workers, communities, and children by keeping in place and fully implementing the standards on the books since 2016.

Implementing these standards is a win-win-win situation. If the standards are rolled back, oil and gas companies would continue to emit massive amounts of gas into the air, workers and communities would continue to be exposed to dangerous emissions, and we will get further away from addressing the very real problem of climate change. Alternatively, if the standards are kept in place, workers and communities will be protected, jobs will be created, and our nation will take a concrete step toward reducing toxic air pollution and the emissions driving climate change.

There is simply no reasonable justification for rolling back these standards. The proposed rule will put workers and communities at risk, while wasting billions of dollars worth of energy, and neglecting to take advantage of the opportunity to create thousands of quality jobs. We request that the EPA immediately withdraw this proposal, and implement the standards as written.

This rollback is unfortunately consistent with this administration's ongoing deregulatory agenda. Cutting regulations does not help American workers or manufacturing. It hurts it—and it hurts American workers and the communities that depend on them.

Deregulation isn't just harmless ideological grandstanding to curry favor with corporate interests—it is actively counterproductive. It undermines industry investment and global technological leadership on the one hand, while taking money out of pockets of workers and undermining their health and safety on the other. Rolling back regulations doesn't create good jobs; it takes us in the opposite direction—harming our economy, our environment, and our communities.

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<sup>i</sup> New York Times, "Court blocks E.P.A. effort to suspend Obama-era methane rule," July 3, 2017. Available online: <https://www.nytimes.com/2017/07/03/climate/court-blocks-epa-effort-to-suspend-obama-era-methane-rule.html>.

<sup>ii</sup> Environmental Defense Fund, "Over 375,000 Americans Voice Clear Support for Federal Limits on Dangerous Methane Pollution Leaking From Thousands of New U.S. Oil and Gas Operations," August 9, 2017. Available online: <https://www.edf.org/media/over-375000-americans-voice-clear-support-federal-limits-dangerous-methane-pollution-leaking>

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- <sup>iv</sup> Clean Air Task Force, *Modeled impacts from EPA methane rollbacks*, Clean Air Task Force, November 2019. Available online: <https://www.catf.us/wp-content/uploads/2019/11/CATF-EPA-rollback-memo.pdf>
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- <sup>vi</sup> Ibid.
- <sup>vii</sup> Ibid.
- <sup>viii</sup> Ibid.
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- <sup>xi</sup> U.S. EPA, Basic Information about Oil and Natural Gas Air Pollution Standards. Available online: <https://www.epa.gov/controlling-air-pollution-oil-and-natural-gas-industry/basic-information-about-oil-and-natural-gas>.
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- <sup>xv</sup> The Hill, “Weakening methane standards means putting workers at risk.” September 13, 2018. Available online: <https://thehill.com/opinion/energy-environment/406480-weakening-methane-standards-means-putting-workers-at-risk>
- <sup>xvi</sup> New York Times, “Trump Administration wants to make it easier to release methane into air,” September 10, 2018. Available online: <https://www.nytimes.com/2018/09/10/climate/methane-emissions-epa.html>.
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