BLUEGREEN ALLIANCE

CREATING GOOD JOBS, A CLEAN ENVIRONMENT, AND A FAIR AND THRIVING ECONOMY

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Docket ID No. EPA–HQ–OAR–2023–0434: Response to Environmental Protection Agency's Proposed Waste Emissions Charge for Petroleum and Natural Gas Systems Rule

The BlueGreen Alliance unites America's labor unions and environmental organizations to solve today's environmental challenges in ways that create and maintain quality jobs and build a stronger, fairer economy. Our partnership is firm in its belief that Americans don't have to choose between a good job and a clean environment—we can and must have both.

Reducing methane emissions in the United States is an example of how America's environmental challenges can also be economic opportunities. Investing in methane mitigation will not just make workers and communities around the facilities safer and healthier, but will also generate and support quality, family-sustaining jobs. Through the Inflation Reduction Act's Methane Emissions Reduction Program (MERP) the U.S. Environmental Protection Agency (EPA) can expedite the pace of investment in methane mitigation by ensuring quick compliance with the EPA's recently finalized methane emissions standards. The MERP, including the Waste Emissions Charge (WEC), is an important plank of the Biden administration's comprehensive approach to methane mitigation.

Reducing Methane Emissions Creates Health Benefits and Supports Jobs

Keeping the world at its target of 1.5° of warming will require immediate action to reduce the emission of GHGs. Of the GHGs being emitted, methane is one of the most potent, with one ton of methane in the atmosphere having over 80 times the warming impact of a ton of CO2 in the 20 years after it is emitted.[i] In the oil and gas sector methane is emitted along with other dangerous compounds and carcinogens like benzene, formaldehyde, and acetaldehyde, from facilities such as wells, compressor stations, and processing plants.[ii] Across the country, nearly 14 million people living in one of

236 counties in 21 states face a cancer risk greater than the EPA's one-in-a-million threshold for concern due to oil and gas pollution alone.[iii]

Oil and gas sector air pollution is particularly harmful to workers that serve in that industry, who face serious long term health challenges because of their labor. Methane emissions reductions can significantly improve air quality for fence line communities, and they can avoid 255,000 premature deaths and more than half a million asthma-related emergency room visits globally each year.[iv] These releases can be accidental, but often are due to outmoded practices and obsolete technology. This lost and leaking natural gas costs billions of dollars every year, and nationwide, these upstream activities waste the amount of gas it takes to heat nearly 19.7 million homes each year. Efforts to curtail this waste are vital to strengthening the economy, protecting public health, and reducing pollution.

Thankfully, low-cost, proven measures and technologies are already commercially available to cut methane emissions from the oil and gas sector by 65% in the next five years.[v] While some companies have moved to adopt these improvements voluntarily, the prospect of capturing additional gas with available and cost-effective mitigation technology could improve with a larger market, clear federal incentives for investment, and a level regulatory playing field among energy companies.

These proven methane mitigation solutions are supported by a growing domestic industry. Since 2017, the methane mitigation industry's service sector has nearly doubled in size, while the number of manufacturing firms has grown by one third since 2014. Over 65% of these are small businesses with potential to grow with national methane reduction efforts.[vi] Jobs in the mitigation industry have the potential to provide pathways into the middle class for workers and families, and to support thousands of high-skill, high-wage jobs—particularly in manufacturing. A BlueGreen Alliance report titled *Plugging the Leaks 2.0* found that the full and continuing adoption of leak reducing technologies and practices at new, modified, and existing oil and gas facilities through the EPA methane standards would create over 136,000 job years through 2035. Furthermore, the assessment finds that over 10,000 net direct and indirect jobs will be created annually in a variety of sectors, including manufacturing, construction, operations, and maintenance.[vii]

The MERP works hand in hand with EPA's recently finalized methane standards for the oil and gas industry. Together these policies will curb emissions at oil and gas operations that result from accidental leaks, outmoded practices, and obsolete technology utilized by the industry in the gathering, transmission, production, and processing of natural gas. Reducing these methane leaks will reduce energy waste, spur quality job creation, protect workers and communities, and help to combat climate change.

The Waste Emissions Charge Complements the EPA Rule

The Waste Emissions Charge (WEC) provides a reinforcement to the job-creating investments made by MERP and the EPA's standards. The EPA rule and MERP work in tandem to scale back emissions and support investment in cost-effective methane mitigation technologies. In drafting the Inflation Reduction Act, policymakers intentionally designed MERP to be complementary to the EPA Rule, and not redundant. We support EPA's proposed rules for calculating the charge and netting and determining when operators meet the WEC's criteria for exemptions as it tracks congressional language.

While out of scope of this rule, the BlueGreen Alliance applauds the steps taken by the EPA and U.S. Department of Energy to support good jobs with MERP, reflected in the notice of intent for Oil and Gas Methane Monitoring and Mitigation (OGM3). By incorporating unions and frontline communities into the design of the "Methane Emissions Reduction Consortia" the MERP is centering a skilled workforce and communities most impacted by emissions in the decision-making process, advancing equity and raising the efficacy of the program. Furthermore, by compelling grantees to submit plans detailing their utilization of project labor agreements, community benefit agreements, registered apprenticeship and pre-apprenticeship programs, and union neutrality agreements, the program is supporting high-quality jobs and ensuring grantees adhere to the best labor principles.

EPA projects WEC to bring in considerable revenue in the short term. The Inflation Reduction Act did not specify a particular use for these revenues collected by the WEC, and they are therefore bound for the Treasury. Ideally,

the EPA would utilize the revenues from the charge to deepen the emissions reductions from the oil and gas industry by channeling these funds back into the administration's existing methane mitigation programs such as expanding air monitoring in frontline communities, plugging orphan wells, or MERP itself.

We encourage EPA to work with Congress to appropriately designate revenues towards supporting investments in methane mitigation that will support good-paying jobs, such as OGM3 funding under MERP.

The WEC is a vital component to a multifaceted strategy for effectively mitigating methane emissions from the oil and gas industry. Together, these actions will create and retain jobs in exchange for only a nominal cost for upgrades in technology, equipment, and practices for the industry. We urge the EPA to finalize this rule to support the Biden administration's comprehensive approach to methane mitigation.

[i] U.S. EPA, Understanding Global Warming Potentials. https://www.epa.gov/ghgemissions/understanding-global-warming-potentials.

[ii] Clean Air Task Force, Fossil Fumes (2022 Update): A public health analysis of toxic air pollution from the oil and gas industry, September 2022. https://cdn.catf.us/wpcontent/uploads/2016/06/14175846/fossil-fumes-report-2022.pdf.

[iii] Ibid.

[iv]UN Environment Programme, Global Methane Assessment: Benefits and Costs of Mitigating Methane Emissions, May 2021. https://www.unep.org/resources/report/global-methaneassessment-benefits-and-costs-mitigating-methane-emissions.

[v] Clean Air Task Force, Reducing Methane from Oil and Gas, December 2020. https://cdn.catf.us/wp-content/uploads/2020/04/21092556/Path_to_65pc_OG_reduction-Dec2020_update.pdf

[vi]Datu Research, Find, Measure, Fix: Jobs in the U.S. Methane Emissions Mitigation Industry, 2021. https://www.daturesearch.com/wp-content/uploads/Datu-2021-MethaneEmissions-Mitigation-Industry.pdf

[vii] BlueGreen Alliance, Plugging the Leaks 2.0, 2023. https://www.bluegreenalliance.org/wp-content/uploads/2023/07/0723-Plugging-the-Leaks-2.pdf