

Advocates for Cherry Valley * Advocates for Morris * Alaska Wilderness League * Appalachian Mountain Club
Appalachian Voices * Athens County Fracking Action Network * Catskill Citizens for Safe Energy
Center for Effective Government * Chesapeake Climate Action Network * Citizens Campaign for the Environment
Citizens' Environmental Coalition * Citizens for Water * Clark Resource Council * Clean Air Carolina
Clean Air Task Force * Clean Water Action * Concerned Citizens Ohio * Damascus Citizens for Sustainability
Earth Day Network * Earthjustice * Earthworks * EcoFlight * EnviroHancement * Environment America
Environment New York * Environmental Advocates of New York * Environmental and Energy Study Institute
Environmental Defense Fund * Environmental Justice Committee * Environmental Protection Information Center
Gas Drilling Awareness for Cortland County * Great Old Broads for Wilderness * Greenwich Citizens Committee
Heartwood * Klamath Forest Alliance * Landscape Alternatives L.L.C. * League of Conservation Voters
League of Women Voters * Los Padres ForestWatch * Milford Doers * Mom's Clean Air Force
National Wildlife Federation * Natural Resources Defense Council * Nature Abounds
Northern Plains Resource Council * NYH20 * Otsego County Conservation Association
Otsego 2000 Inc. * Pavillion Area Concerned Citizens * PennFuture * Pipeline Safety Coalition
Powder River Basin Resource Council * Residents of Crumhorn Mountain * ROAR Against Fracking
Safe Climate Campaign * Shalefield Stories-Friends of the Harmed * Southern Alliance for Clean Energy
Sullivan Area Citizens for Responsible Energy Development * SustainUS * The Endocrine Disruption Exchange
U.S. Climate Plan * Western Environmental Law Center * Western Organization of Resource Councils
Western Resource Advocates * WildEarth Guardians

The Honorable Gina McCarthy
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue N.W.
Washington, DC 20460

June 16, 2014

Dear Administrator McCarthy,

We write to express support for the Environmental Protection Agency's work to set the stage for oil and gas industry methane regulations through the series of white papers issued in April. Based on the information contained within those papers, we strongly urge the Agency to move forward with such regulations expeditiously. While we anticipate that responses to the white papers will provide additional valuable information on strategies to reduce emissions from oil and gas, data the Agency has today makes clear that available technologies can cheaply and significantly reduce emissions from key sources in this industry, including all of those covered by the Agency's white papers. Given the damage from these emissions and the low-cost opportunity to reduce them, regulation is both necessary and warranted.

Tightly regulating methane from the oil and gas industry is absolutely critical to meeting the President's publicly-stated pledge to reduce greenhouse gas emissions by 17% by 2020. We know from a number of studies that methane emissions from the oil and gas sector are substantial -- about one-third of total US methane emissions. Methane and other harmful substances, from smog precursors to toxics like benzene, are released and allowed to leak from wells, compressors,

and pipelines, among other sources throughout the sector. Several recent studies¹ have confirmed that, overall, methane emissions are *considerably higher* than official inventories report. EPA's volatile organic compound (VOC) standards adopted in 2012 will mitigate some of this methane, specifically from a subset of new and modified sources in the sector. However, due to the substantial amount of methane emissions left untouched by those standards, only rules that will reduce methane pollution from existing equipment, nationwide, are an adequate response to this pollution.

Additionally, the methane problem is growing due to the domestic oil and gas boom: horizontal drilling and high-volume hydraulic fracturing are giving developers access to more gas and oil supplies, resulting in more pollution. In fact, a recent study shows that emissions from U.S. oil and gas operations are projected to increase 4.5% by 2018, despite EPA's 2012 oil and gas rules.² This growth is in part due to the 2012 rules' poor coverage of methane emissions from oil development, making clear the need for enhanced standards that will reach these sources of methane.

Methane leaks and venting are all wasteful, and the majority can be prevented at low cost - in many cases at a net gain to producers and society over a short return period - since the retained or captured gas can be used on-site or sold. As the white papers themselves show, leaks and venting contributing significantly to the methane problem are very inexpensive to address. One source included in the white papers, a recent report by ICF International, found that industry could cut its methane emissions by roughly 40 percent below projected 2018 levels using proven technologies at an average annual cost of less than one cent per thousand cubic feet of produced natural gas – a fraction of a percent of the revenue the industry receives for the gas.

Some companies are taking this issue seriously and going above and beyond current regulatory requirements to reduce methane emissions on their own, and even supporting state efforts to adopt standards for methane. However, a variety of market conditions disincentivize or inhibit companies from maximizing the available opportunities to reduce methane. These conditions include diverse ownership of the different parts of the system, ownership transfer of the gas moving through the system, higher rates of return from other investments, lack of knowledge of best practices, lack of incentive by independent contractors, or a simple lack of interest. Collectively, these factors result in a market failure with respect to methane, and regulations must be established to prevent the resulting wasteful and harmful pollution. Action by EPA would complement soon-to-be-proposed Bureau of Land Management methane waste rules governing oil and gas operations on federal lands and build on the work of several states.

¹ Brandt, A. R., et al., *Methane Leaks from North American Natural Gas Systems*, 2014, Science, available at <http://www.novim.org/images/pdf/ScienceMethane.02.14.14.pdf>.

Miller, S. M., et al., *Anthropogenic Emissions of Methane in the United States*, 2013, PNAS, available at <http://www.pnas.org/content/early/2013/11/20/1314392110.abstract>.

Pétron, G. et al., *A New Look at Methane and Non-Methane Hydrocarbon Emissions from Oil and Natural Gas Operations in the Colorado Denver-Julesburg Basin*, 2014, J. GEOPHYSICAL RESEARCH: ATMOSPHERES, available at <http://onlinelibrary.wiley.com/doi/10.1002/2013JD021272/abstract>.

² ICF International. 2014. Economic Analysis of Methane Emission Reduction Opportunities in the U.S. Onshore Oil and Natural Gas Industries. http://www.edf.org/sites/default/files/methane_cost_curve_report.pdf

Curbing methane is a “win-win-win-win” that can save fuel, reduce greenhouse gas emissions, improve air quality, and improve pipeline safety, and our organizations stand at the ready to support swift action. Doing so is a critical near-term step toward implementation of President Obama’s Climate Action Plan and continued U.S. leadership on climate protection and healthier air. Some of our organizations separately provide detailed comments regarding each of the Agency’s five white papers, and all of us look forward to working with and supporting the Agency in crafting new rules to reduce methane pollution from the oil and gas industry.

Sincerely,

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