

November 25, 2019

Andrew Wheeler
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Mail Code 1101A
Washington, DC 20460
Docket ID No. EPA-HQ-OAR-2017-0757

Re: Oil and Natural Gas Sector: Emission Standards for New, Reconstructed, and Modified Sources Review

Dear Administrator Wheeler:

In the proposed rule *Oil and Natural Gas Sector: Emission Standards for New, Reconstructed, and Modified Sources Review* (84 FR 50244, September 24, 2019), hereafter referred to as the “Oil and Natural Gas Sector 2019 Rule,” the United States Environmental Protection Agency (EPA) is proposing to amend the 2012 and 2016 New Source Performance Standards (NSPS) for Crude Oil and Natural Gas Production, Transmission and Distribution. Specifically, EPA is proposing to: (1) remove sources in the transmission and storage segment from the regulated source category, (2) rescind the NSPS requirements applicable to those sources, and (3) rescind the methane-specific requirements of the NSPS applicable to sources in the production and processing segments. EPA is also proposing, as an alternative to the aforementioned proposed changes, to rescind the methane-specific requirements of the NSPS for all oil and natural gas sources in the regulated source category, without removing any sources from the regulated source category. The Connecticut Department of Energy and Environmental Protection (DEEP) respectfully disagrees with such action as adoption of the proposed rule will increase volatile organic compounds (VOC) emissions from upwind states, and thus, interfere with Connecticut’s ability to attain the ozone National Ambient Air Quality Standards (NAAQS). Furthermore, adoption of this proposal will increase methane emissions, contrary to Connecticut’s efforts towards achieving its greenhouse gas (GHG) emission reduction targets under the Global Warming Solutions Act.

EPA estimated that the removal of the transmission and storage segment from the regulated source category and the deletion of corresponding NSPS requirements will increase VOC emissions by about 10,000 tons and methane emissions by about 370,000 short tons, over the 2019 to 2025 time frame.¹ The actual increase in VOC and methane emissions may be higher than originally estimated given that EPA is unaware of how often the processing of natural gas occurs in the transmission and storage segment, instead of in the processing segment, and is soliciting comment on the matter.² The agency acknowledges that the increase in VOC emissions

¹ Oil and Natural Gas Sector 2019 Rule at 50278.

² Oil and Natural Gas Sector 2019 Rule at 50248.

will degrade air quality and is likely to adversely affect health and welfare associated with exposure to ozone, particulate matter that has a diameter less than 2.5 micrometers, and hazardous air pollutants, but they are unable to quantify these effects at this time.³

For states like Connecticut, whose location places them in the path of transported emissions, adoption of this proposal could also hinder their ability to attain compliance with the ozone NAAQS. Currently, the entire state is designated as serious nonattainment for the 2008 ozone NAAQS, and as marginal (Greater Connecticut area) and moderate (New York-Northern New Jersey-Long Island area) nonattainment for the 2015 ozone NAAQS. Connecticut's ongoing commitment to implement emission control programs that are among the most stringent in the nation has resulted in significant decreases to the ambient emission levels, however, the people of Connecticut continue to be exposed to unhealthy ozone levels caused by transported emissions from upwind states. As previously stated, adoption of this proposal will increase VOC emissions by a minimum of 10,000 tons (over a five-year period), therefore increasing VOC emissions transported from upwind states. Such an increase will further hinder Connecticut's progress towards attaining compliance with the ozone NAAQS. Additionally, this proposal would undermine upwind states' Good Neighbor (GN) State Implementation Plans (SIP) that rely on anticipated emissions reductions, that EPA is now proposing to eliminate, to meet the requirements of Section 110(a)(2)(D)(i)(I) of the Clean Air Act (CAA), or exacerbate the effects of interstate pollution from upwind states such as Pennsylvania and Virginia that have failed to submit GN SIPs for the 2015 ozone NAAQS. For these reasons, DEEP cannot support the adoption of this action.

Despite being the largest industrial source of methane emissions in the U.S., EPA is also proposing to rescind the methane-specific requirements of the oil and gas industry NSPS. EPA alleges that because the methane control options are redundant with VOC control options, there are no expected changes in the cost or emissions from rescinding the methane-specific requirements.⁴ Given the implications of adopting such a measure, DEEP respectfully disagrees with EPA's assertion that there will be no changes in emissions.

Although EPA recognizes that by rescinding the methane-specific requirements, existing sources of the same type in the source category will not be subject to regulation under CAA Section 111(d), EPA suggests that the lack of regulation of existing sources will not result in a substantial loss in emission reductions. EPA reasons that a combination of any of the following would ensure that adequate methane emission reductions are achieved: market incentives, participation in emission reduction voluntary programs, state regulatory requirements, and the retirement of many existing sources or these sources becoming subject to the standards of performance for new sources due to undertaking a modification or reconstruction. While all of these options might reduce methane emissions, at this time, there is insufficient information⁵ to assess accurately if any of these options might meaningfully reduce methane emissions, as

³ Oil and Natural Gas Sector 2019 Rule at 50279.

⁴ Oil and Natural Gas Sector 2019 Rule at 50278.

⁵ Oil and Natural Gas Sector 2019 Rule at 50274. EPA states "[d]ue to various uncertainties, we are unable to develop a rate at which existing sources become subject to the NSPS OOOOa."

evidenced by EPA's numerous requests for comment.⁶ Furthermore, only a few states have established regulations on oil and natural gas sector emissions, and the degree of emission reductions that these programs achieve varies across states. Consequently, it is quite possible that, over time, the rescission of methane-specific requirements will result in an increase in methane emissions.

The message sent by rescinding the methane-specific requirements, along with the possibility of increased methane emissions, is inconsistent with Connecticut's actions to reduce GHG emissions, as part of its climate action plan. Connecticut's efforts towards mitigating the impact of GHG emissions on climate change can be traced back to the early 2000s when Connecticut signed the New England Governor's and Eastern Canadian Premiers *Climate Change Action Plan 2001*, an initiative aimed at reducing GHG emissions. Over the years, the State has strengthened its efforts through the passing of various public acts establishing GHG emission reduction goals or increasing the renewable portfolio standards, the establishment of the nation's first green bank, known as the Connecticut Green Bank, which since its inception has deployed over a billion dollars in capital for clean energy projects across the state, and the participation in the *International Zero-Emission Vehicle Alliance*, a collaboration of European and North American governments that seeks to accelerate adoption of zero-emission vehicles, among others.⁷ Most recently, in Executive Order No. 3, Governor Lamont reinforced Connecticut's climate mitigation progress goal of cutting GHG emissions to 45% below 2001 levels by 2030 and directed DEEP to evaluate pathways to transition to a 100% clean energy grid by 2040. Although the Oil and Natural Gas Sector 2019 Rule does not directly contravene either of these state goals, an allowed increase in GHG emissions from this sector is inconsistent with the spirit of the goals and would interfere with achieving the resulting reductions of Connecticut's GHG reduction goals. Thus, this proposal could undermine the progress Connecticut is making towards mitigating the impact of GHG emissions on climate change, and for that reason, DEEP cannot support the adoption of such action.

Lastly, DEEP urges EPA to retain its current statutory interpretation that the agency is not required to make a pollutant-specific significant contribution finding, under CAA Section 111(b), each time that it regulates a pollutant from a source category. An alternative interpretation, if adopted, would create precedent that could severely constrain the regulation of air emissions under Section 111 of the CAA, and therefore, undermine EPA's mission to protect human health and the environment.

⁶ Oil and Natural Gas Sector 2019 Rule at 50273, 50276-50278. "EPA solicits comment on whether sufficient market incentives exist to offset the costs of emissions capture such that total methane emissions will trend downward under these incentives."

⁷ For more information, see *Climate Action Timeline for Connecticut* at https://www.ct.gov/deep/cwp/view.asp?a=4423&q=533786&deepNav_GID=2121.

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For the reasons presented, DEEP opposes adoption of the Oil and Natural Gas Sector 2019 Rule.

Thank you for the opportunity to submit these comments.

Sincerely,



Katherine S. Dykes
Commissioner
