



**U.S. EPA Methane Emission Proposed Rulemakings
Testimony of Eric Cowden
Community Outreach Manager for Marcellus Shale Coalition
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Pittsburgh, PA**

Good afternoon, my name is Eric Cowden and I serve as Community Outreach Manager for the Marcellus Shale Coalition (MSC). The MSC was formed in 2008 and is currently comprised of approximately 250 producing, midstream and supply chain members who are fully committed to working with local, county, state and federal government officials and regulators to facilitate the safe and responsible development of the natural gas resources in the Marcellus, Utica and related geological formations. Our members represent many of the largest and most active companies in natural gas production, gathering and transmission in the country, as well as the suppliers and contractors who service the industry.

I appreciate the opportunity to offer comments on the U.S. Environmental Protection Agency's (U.S. EPA) proposed suite of rulemakings regarding methane and VOC emissions as well as source determination concerning the natural gas industry. The MSC supports strong, consistent and predictable environmental standards that protect our natural resources and communities while enabling the safe and responsible development of our nation's indigenous energy resources. The MSC and its member companies have a long history of working collaboratively and constructively with local, state and federal regulators and policymakers to adopt and implement strong yet sensible regulations, and we look forward to continuing that engagement as the U.S. EPA considers these rulemakings.

Natural gas producers have a vested interest in reducing and minimizing methane leaks from production sites. After all, methane is the primary constituent of natural gas which is being produced and transported to market. It makes strong financial sense to ensure that the product, which an operator has spent millions of dollars to safely extract, is not lost.

In December 2011, Pennsylvania became one of the first states in the nation to require unconventional natural gas producers to submit data on emissions such as carbon monoxide, sulfur dioxide, volatile organic compounds, particulate matter and others. The Pennsylvania General Assembly codified this annual reporting requirement as part of Act 13 of 2012, which is the Commonwealth's comprehensive environmental protection law related to oil and gas development.

For calendar year 2012, the Pennsylvania Department of Environmental Protection (PA DEP) expanded reporting requirements to include methane, as well as additional sources such as compressor stations serving conventional natural gas and coal-bed methane

production. With respect to methane, the 2013 emissions inventory data, which was released by PA DEP in April 2015, showed a 13% decrease in total cumulative methane emissions from the natural gas industry in Pennsylvania. This decrease is significant, particularly given the fact that the number of well sites reporting data for 2013 increased by over 18%, while the number of midstream facilities reporting data increased by over 8% and natural gas production itself increased in 2013 by nearly 52% over the prior year. This phenomenon of decreased methane emissions in spite of increased activity can be seen across the nation. This is a testament to voluntary efforts and new and innovative technologies and operational practices that have been implemented over the past several years.

It is important to underscore as well that, as we collect and analyze emissions data from a growing array of sources within the oil and natural gas industries in Pennsylvania, overall ambient air quality in the Commonwealth is substantially improving. This is due, in large part, to the significant increase in the use of natural gas for electric generation in Pennsylvania. For reference, in 2000 Pennsylvania generated approximately 1% of its electricity from natural gas. This figure rose to 15% by 2010, and is expected to exceed 25% next year.

This dramatic increase in electric generation from natural gas has substantially offset emissions from the power generation sector since 2008, when natural gas production from the Marcellus Shale formation began to ramp up. For example, since 2008 sulfur dioxide emissions are down nearly 75%; nitrogen oxide emissions are down nearly 25% and particulate matter emissions are down over 45%. This increased use of natural gas and the corresponding reduction of key emissions within the power generation sector translates to an approximate \$14 billion to \$37 billion annual public health benefit just from sulfur dioxide reductions alone, based on U.S. EPA methodologies.

In addition to comprehensive data inventories, Pennsylvania has adopted aggressive permitting standards for natural gas-fired engines and equipment at compressor stations, as well as new criteria for unconventional well owners and operators. A key component of Pennsylvania's requirements is a robust Leak Detection and Repair program (LDAR) to identify whether fugitive methane and VOC emissions are being released from the operation. This initiative, included as part of Pennsylvania's 2013 revisions to its air quality permit exemption criteria, requires all unconventional natural gas operators to implement an LDAR program within 60 days after a well is put into production, and annually thereafter. Any leaks must be repaired within 15 days of detection, as required by PA DEP. Additionally, this same program covers emissions requirements which are more stringent than the proposed federal rules for other sources, such as engines and tanks.

Concerning the proposal for single source determination clarification, the MSC strongly recommends simply using the plain meaning of the word "adjacent" according to



Webster's dictionary. Even though this is not one of the options proposed by the U.S. EPA, it is absolutely the best way of achieving an accurate and succinct determination. If the U.S. EPA does not believe this process to be the best option, then the bright-line distance option could work as long as it is framed in such a way as to avoid daisy-chaining and incorporates a case-by-case analysis within the bright-line distance. Automatically aggregating sources within the bright-line distance is a mistake and will undoubtedly result in aggregating sources that in no way comport with the "common-sense notion of a plant."

The MSC does not believe that adding "functional interrelatedness" will in any way clarify the meaning of adjacency as it pertains to source determinations, and will only complicate the process by "embroiling the agency in fine grained analysis" that it was trying to avoid as stated in the preamble. Furthermore, aggregating sources that are already being controlled through comprehensive state and New Source Performance Standards requirements will not provide any environmental benefit and only serve to further complicate the permitting process.

States, such as Pennsylvania, have demonstrated amply their ability to design sufficient controls and safeguards to reduce methane emissions from oil and gas operations. Moreover, the natural gas industry has also demonstrated its commitment to work with its state regulators to install reasonable monitoring and repair programs, which reflect the unique circumstances of the state and the industry's operations in that state. We are concerned with the U.S. EPA's second-guessing of the states' successful efforts to reduce methane emissions. Imposing unreasonable, costly and unnecessary additional federal standards, on top of existing state regulatory requirements, only serves to make unconventional natural gas development less attractive economically and stifles the advancement of American energy security while providing little if any measurable environmental benefit.

We urge the U.S. EPA to recognize successful and functioning state regulatory programs and existing industry practices that have already substantially reduced methane emissions, and allow them to continue without interruption or added complication from superfluous federal regulation. Moreover, we urge the U.S. EPA to be both mindful of and acknowledge the significant cumulative environmental, ambient air quality, and public health benefit that is being realized due to the significant increase in use of natural gas in the power generation sector.

On behalf of the Marcellus Shale Coalition and its member companies, thank you for your consideration of these comments.

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