

EPA PROPOSES REDUCTIONS IN RULES FOR OIL & GAS INDUSTRY

On August 28, 2019, the U.S. Environmental Protection Agency (EPA) proposed to amend its rules to remove sources in the transmission and storage segment of the oil and natural gas industry from new source performance standards (NSPS) for volatile organic compounds (VOCs) and methane. The proposed rules would also remove methane requirements (but not those for VOCs) in the 2016 NSPS for the production and processing segments of the industry. According to EPA's Fact Sheet for the proposal, EPA (during the Obama administration) erred in 2012 and 2016 when it included the transmission and storage segment in the NSPS.



Alternative Rule Would Remove Methane from the NSPS

EPA's proposal included an alternative rule that would simply remove methane requirements in the NSPS for oil and natural gas sources. Under this approach, methane emissions would still be regulated as part of the larger category of VOCs.

Regarding both the primary proposal and the alternative, the Fact Sheet said "because the controls to reduce VOC emissions reduce methane at the same time, separate methane limitations for the industry are redundant."

Comment Requested on Proposed Rules and EPA's Authority to Regulate Methane

As is generally required, EPA requested public comments on the proposed rules. In this comment process, EPA is also requesting comment on its authority to regulate methane, including if EPA needed to make a pollutant-specific "significant contribution" finding regarding methane in order to regulate methane emissions from oil and gas industry sources. The request suggests EPA may reverse the position it took in 2016 regarding its fundamental authority to regulate methane.

To see the Fact Sheet, which includes a link to the text of the proposed rules,

https://www.epa.gov/sites/production/files/2019-08/documents/fact_sheet._proposed_amendments_to_nsps_for_oil_and_natural_gas_industry.8.28.19.pdf