

**Testimony of API Vice President of Downstream and Industry Operations
Frank Macchiarola**

**Senate Committee on Environment and Public Works
Subcommittee on Clean Air and Nuclear Safety**

“Reducing Emissions While Driving Economic Growth: Industry-led Initiatives.”

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Introduction

Chairman Braun, Ranking Member Whitehouse, and members of the subcommittee. Thank you for the opportunity to testify this morning.

The subject of today’s hearing - *Reducing Emissions While Driving Economic Growth* raises important policy questions affecting our nation’s economic strength, energy security and environmental stewardship.

How we address these topics will have meaningful implications for our nation’s future and our standing globally.

Over the past decade, the United States has experienced a dramatic transformation in our energy landscape.

Ten years ago, energy analysts and policymakers spoke in terms of energy scarcity - with the expectation that we would be predominantly importing natural gas from the Middle East, Russia and West Africa to meet our growing energy demand.

On the petroleum side, a similar picture was emerging with projections of flat domestic production and growing dependence on foreign sources of oil.

As a result of oil and natural gas industry innovation and the advancement of the engineering technologies such as hydraulic fracturing and horizontal drilling, we speak today in terms of energy abundance and our nation’s energy future is bright.

Production is up; emissions are down

Domestic oil production has risen from 5 million barrels per day in 2009 to now more than 12 million barrels per day.

On the natural gas side, U.S. production of natural gas has increased by more than 50% over the past decade, with natural gas deliveries to electric power consumers doubling since 2004.

American oil and gas development and production from unconventional shale resources has fundamentally changed the energy landscape while creating economic growth and significant employment opportunities across the country.

And, Congressional leadership to end the crude oil export ban has favorably reshaped our nation’s energy security posture.

The United States is poised to remain the world’s leading producer of oil and natural gas, which will continue to help strengthen our economy and national security for years to come.

API is committed to meeting the climate challenge

However, challenges remain – and the oil and natural gas industry is committed to meeting these head-on. One such challenge includes addressing the risks associated with global climate change through collaborative efforts of private industry, government and the public.

The oil and natural gas industry is focused on solutions to help reduce greenhouse gas emissions while ensuring access to affordable and reliable energy that helps enhance standards of living around the world.

At the same time that the United States has become the leading producer of natural gas, domestic CO₂ emissions declined to their lowest levels in a generation.

From **2005 to 2017**, the U.S. economy grew by **20%** while CO₂ emissions fell by **14%** overall - and during that same time period, CO₂ emissions from electricity generation declined by **28%**.

In addition to reductions in emissions of CO₂, the growth of natural gas in power generation over the last several years has also led to significant reductions of nitrogen oxide, sulfur dioxide and particulate matter emissions – contributing to cleaner air for all Americans.

Importantly, while we have experienced a dramatic increase in U.S. production of natural gas, emissions of methane from our industry have decreased over the past **20** years.

The story here is the same: We have accomplished positive environmental outcomes by advancing the technologies that ensure that we are capturing both VOCs and methane.

Our industry has been at the forefront of innovation; developing technologies to reduce emissions from hydraulic fracturing completions, storage tanks, pneumatic controllers and leaks. We have worked directly with EPA since the early days of the Obama Administration in 2010 to ensure that EPA's regulations incorporate these and other effective emissions reductions requirements, and we continue to support these regulatory requirements.

The Environmental Partnership

Our industry has also established The Environmental Partnership, a voluntary program for continuous improvement in environmental performance, with an initial focus on reducing VOC and methane emissions. There are currently **67** companies participating in the program, including **18 of the top 20** natural gas producers.

Companies in the Partnership agree to implement emissions reductions programs for leaks, pneumatic controllers and for liquids unloading operations.

On the downstream side of our industry, the environmental progress made in the refining of fuels and improvements of vehicles is undeniable. More than **98%** of vehicles on the road use our industry's fuels, providing us the ability to conduct commerce, commute to work, go on vacation and visit loved ones. And today, this is done with cleaner fuels that allow automobile manufacturers to build engines that reduce emissions. This progress has helped drive a significant reduction in emissions of major air pollutants – even as vehicle miles traveled nearly tripled.

A strong oil and natural gas sector is essential to our nation. Our industry supports **10.3** million jobs and nearly **8** percent of the U.S. economy. More importantly, the men and women

who work in our industry are committed to providing reliable and affordable energy and protecting the environment. After all, they live in the communities in which they work.

Conclusion

Through a balanced approach that promotes innovation and smart regulation, we can provide affordable, abundant energy that Americans rely upon and we can do it with an emphasis on environmental protection and stewardship.

Thank you and I look forward to your questions.