

Testimony of

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on behalf of the

American Petroleum Institute

Public Meeting on the

Review of Standards of Performance for Greenhouse Gas Emissions From

New, Modified, and Reconstructed Stationary Sources: Electric Utility

Generating Units

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Good morning, my name is Howard J. Feldman, and I am the Senior Director for Regulatory and Scientific Affairs at the American Petroleum Institute. API is the only national trade association representing all facets of the oil and natural gas industry, which supports 10.3 million U.S. jobs and nearly 8 percent of the U.S. economy. API's more than 600 members span the industry.

For perspective on our comments, please note that recent record U.S. production and refining are happening alongside greater environmental progress: carbon dioxide emissions are near their lowest levels in a generation, thanks in large part to greater use of natural gas. Additionally, cleaner burning transportation fuels and industry investments have dramatically reduced emissions of criteria pollutants.

The oil and natural gas industry has succeeded despite the unprecedented level of federal regulatory actions that targeted our industry in the past. In contrast, and consistent with the Administration's stated objectives of American energy independence and economic growth, EPA and other federal agencies should embrace smart, cost-effective regulations while continuing to promote public health, safety and the environment that both industry and citizens support.

API is preparing detailed written comments addressing the proposed Review of Standards of Performance for Greenhouse Gas Emissions From New, Modified, and Reconstructed Stationary Sources: Electric Utility Generating Units. Today I would like to highlight key points: on climate change, this rulemaking, and the role of natural gas.

The risks of climate change are real and the U.S. natural gas and oil industry is meeting the challenge head-on. The oil and natural gas industry is taking action to reduce emissions through efforts like the Environmental Partnership, and investing billions in advanced technologies and we will continue to be an integral part of the effort to address the issue of climate change. United States climate policy must recognize the vital role of petroleum products in modern society, and the many benefits that natural gas and oil provide our nation and the world.

On March 28, 2017, the President signed the Energy Independence Executive Order which called for, among other things, a review of the final rule to regulate GHGs from new power plants. API has supported this review and this proposal to revise the 111(b) standards is a positive step in response. API's May 19, 2014 comments on the previously proposed rule stated:

“... this proposed rulemaking has numerous and fundamental legal, technical, and regulatory flaws. These flaws cannot be cured by simply promulgating a final rule with justifications for and explanations of the actions laid out in the proposed rule. In order to address these serious deficiencies and avoid ongoing harm and confusion to companies that plan to construct EGUs in the relatively near future, as well as other manufacturing sectors concerned about the precedent of EPA's new energy regulatory role on future project development, EPA should immediately withdraw the proposal.”

Our forthcoming written comments will address how this proposal addresses those previously identified flaws and will suggest additional modifications to the proposal.

Of note, even without the Clean Power Plan's implementation and the NSPS for new and modified EGUs, our nation has reduced greenhouse gas emissions from power generation by nearly 30 percent since 2005, thanks largely to the increased use of clean, reliable, and affordable natural gas. Though early estimates for 2018 indicate a slight increase in emissions due to weather-related energy usage, EIA expects the downward trend to resume. Even as we have become the world's top producer and refiner of natural gas and oil, economy-wide carbon emissions are near 25-year lows.

If the EPA promulgates this proposed replacement for the EGU GHG NSPS, the Agency must leverage the benefits of clean, reliable, and affordable natural gas. These attributes have changed, and will continue to change, the energy and environmental landscape in this country and beyond.

The American natural gas renaissance fundamentally altered the world's energy equation; natural gas now serves as a primary fuel for the electric power we use in our homes and businesses. Generators have turned to natural gas to ensure they can provide the electricity our economy needs. In fact, natural gas produces about one-third of America's electric power and generated more electricity than any other fuel source in 2017. And EIA data shows that more than 60% of the reductions in electricity generation-related CO₂ emissions from 2005 - 2017 came from the fuel mix shifting toward natural gas. Clean and abundant natural gas is a key driver of reliability in power generation and any replacement of the EGU GHG NSPS should recognize and facilitate the use of natural gas.

In conclusion, we will be submitting comments on this rulemaking to ensure that the final rule is rooted in sound science and data, with a consideration of the costs and benefits, while protecting public health and the environment.