

The American Petroleum Institute
NSPS OOOOa Public Hearing Statement
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Good morning. My name is Matthew Todd and I am a Senior Policy Advisor at The American Petroleum Institute (API).

API is the only national trade association representing all facets of the natural gas and oil industry, which supports 10.3 million U.S. jobs and nearly 8 percent of the U.S. economy. API's more than 600 members include large integrated companies, as well as exploration and production, refining, marketing, pipeline, marine businesses, and service and supply firms. They provide most of the nation's energy and are backed by a growing grassroots movement of more than 47 million Americans.

I have three messages today regarding the proposed amendments to EPA's New Source Performance Standards for the Oil and Natural Gas Sector.

1. Separate from any regulatory developments, the industry is laser focused and committed to reducing emissions and there are positive trends that demonstrate success.
2. Smart, cost-effective regulations that address emissions from new sources, when combined with voluntary industry actions, is an effective approach to further reduce emissions.

3. It's appropriate for the agency to revisit and reexamine the manner and process it undertook when it promulgated the 2012 and 2016 rules for the oil and gas sector

The oil and natural gas industry is laser-focused on cutting methane emissions through industry initiatives, smart regulations, new technologies, and best practices.

U.S. methane emissions are down even as Americans produce more affordable, reliable, and cleaner natural gas. Between 1990-2017, methane emissions from natural gas systems dropped 14% during a period when production has increased more than 50%. This is effectively a 43% reduction in the rate of emissions. In the Permian here in Texas, the emissions rate is down 26% while gas production is up 182% for 2011-2018. And the Eagle Ford is another great story. The emissions rate is down more than 70% while production increased 140% for 2011-2018.

Smart, cost-effective regulations combined with voluntary actions are effective to further reduce emissions.

We support smart Federal regulations that protect public health and the environment that provide the flexibility to develop and deliver affordable and reliable American energy. Regulating new and modified sources is, on its own, an effective approach to address emissions from the oil and gas industry. By 2023,

nearly 90% of all U.S. natural gas and oil production will be regulated under EPA's standards, jumping to 98% by 2033.

Beyond regulations, the industry has also committed to develop and participate in voluntary programs such as Our Nation's Energy Future (ONE Future), the Oil and Natural Gas Climate Initiative (OGCI), and The Environmental Partnership.

ONE Future is a coalition of 16 companies representing the entire natural gas value chain focused on implementing an innovative, performance-based approach to the management of methane emissions.

OGCI is a CEO-led initiative with membership that represents 1/3 of global natural gas production that has committed one billion dollars to lower carbon emissions.

The Environmental Partnership companies work together in a process of learning, collaborating and taking action. The program started with 26 participants at the end of 2017 and has significantly grown to 67 members strong, representing every major onshore production basin in the U.S. The program includes the largest U.S. energy producers, as well as the smallest, among its participants.

Participating companies are using advanced monitoring technologies to find and repair leaking equipment, replacing or modifying higher-emitting process control equipment, and implementing best practices to minimize emissions associated with the removal of liquids from natural gas wells as they age.

In 2018, companies reported:

- A leak occurrence rate of just 0.16 percent, less than 2 per thousand components, from more than 156,000 surveys monitoring more than 56 million components. (Note that this is significantly less than EPA's estimate.)
- More than 3,000 high-bleed pneumatic controllers were replaced, retrofitted or removed from service and 38 companies have completely removed these controllers from their operations.
- Monitoring more than 132,000 manual liquids unloading events further reduced emissions.

In conclusion, it is appropriate for EPA to revisit and reexamine the manner and process it undertook when it promulgated the 2012 and 2016 rules. The continued regulation of volatile organic compounds is equally effective in reducing methane emissions and industry's innovation combined with technological advancements will continue to lower emissions. The energy revolution is benefitting all Americans while we continue to drive the rate of emissions of greenhouse gases and criteria pollutants lower.