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Independent Regulatory Review Commission

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Environmental Quality Board
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Re: Proposed Rulemaking – Control of VOC Emissions from Oil and Natural Gas Source

The Center for Methane Emissions Solutions (CMES), a national business coalition that represents the views of companies in the methane mitigation industry in the United States. The methane mitigation industry is a robust and growing American industry. More than 130 companies have headquarters in the U.S., and there are more than 570 methane mitigation facilities located across the country, in 46 states, including Pennsylvania.

CMES commends Governor Wolf and his Administration for their thoughtful, deliberative approach to addressing methane emissions from oil and gas sites in the state of Pennsylvania. We appreciate the important role the oil and gas industry have in the state's economy, providing thousands of quality jobs and value to communities. Unfortunately, as the industry has boomed, a consequence of this success is an increasing level of methane emissions, a highly potent greenhouse gas, over 80 times more potent than carbon in the first 20 years after it is released into the atmosphere.

In addition to the real environmental costs associated with these fugitive emissions, there is also a tremendous economic cost. Methane is the primary component of natural gas. Pennsylvania oil and gas operations lose upwards of $86 million dollars-worth of natural gas a year due to methane emission from inefficiencies at oil and gas well sites including faulty equipment and venting practices. If those leaks and venting were addressed, it would mean more product could be brought to market and more revenue for companies. Moreover, cutting methane waste can also help ensure a fair return for royalty owners.

Fortunately, this is a problem with a clear solution. Responding to this market and environmental challenge, our member companies have developed a range of effective, innovative, and low-cost services and technologies that reduce wasteful methane emissions. But you don't have to take our word for it. In their March 2020 report entitled "Global methane emissions from oil and gas", the International Energy Agency found that "While natural gas prices today are relatively low, we estimate that around one-third of our latest estimate of methane emissions from oil and gas operations could still be avoided at no net cost." These results reflect our experience in other states, like Colorado, that have imposed proposals similar to the one under consideration in Pennsylvania.

As a result, DEP does not need to make a difficult choice between protecting public health and supporting the economy. It is our view, that for the most part, the rule under consideration today strikes this important balance.

We do feel that the rule can be strengthened by:

1. **Limiting the Leak Detection and Repair ("LDAR") exemption for low-producing wells.** According to DEP's own reporting, over 99 percent of the state's conventional wells fall below the proposal's minimum production threshold and will be exempt. While we understand the desire of DEP to protect smaller producer's, the proposal as currently constituted, is too broad, and as a result misses a tremendous opportunity to significantly reduce emissions in a cost-effective manner. Our member companies have developed and employed innovative techniques in Pennsylvania and states around the country that effectively monitor and report leaks, at a low cost. Such methods include utilizing cameras that provide continuous monitoring and drones, to name a few. The flexibility of technologies and approaches available provide smaller producers with options for identifying a method of compliance that fits their budget.

2. **Eliminating the provision that allows operators to reduce the frequency of inspections**. In the experience of our members, leaks occur regularly, often due to minor errors or wear-and-tear of equipment, and as a result, a successful inspection, does not mean the next will yield the same result. In fact, a survey of producers in Colorado, after implementation of Regulation 7, which requires regular monitoring, found that the overwhelming number of leaks found (9 out of 10) were the result something simple to repair, like an open valve or loose seal. Our experience in Colorado and other states have confirmed that the most effective strategy for reducing emissions in a cost-effective manner is one that establishes regular monitoring schedules that allows producers to plan for and incorporate such practices into their operating budget.

3. **Allowing a Pathway to Entry for New Technologies.** We commend DEP for including a provision that allows for operators to use approved leak detection technologies other than OGI and Method 21. As the market for methane monitoring continues to grow, new approaches and technologies are coming to market that, and it is critical that the Pennsylvania policy allows an entry point for such technologies to be utilized. Numerous studies have shown that the utilization of drones and continuous monitoring technologies to name a few, have the capability of covering significant areas in little time and cost.

   Missing from the current proposal, however, is a provision that details how such technologies can be reviewed and approved by the state for use. We urge DEP to develop a clear application process for alternative technologies. For reference, Colorado has implemented a highly successful program in this regard.

The methane mitigation industry in Pennsylvania stands prepared to provide solutions that will help address this serious issue, while also supporting our oil and gas partners. We welcome the opportunity to be a resource to the Department as this rule moves forward.

Sincerely,

Isaac Brown
Executive Director
Center for Methane Emissions Solutions