

Meeting of the Citizens Advisory Council  
November 12, 2024

Written Testimony of John Rutecki, Regulatory and Legislative Manager, Appalachia  
40 CFR Part 60, Subpart OOOOc– Emissions Guidelines for Greenhouse Gas Emissions from  
Existing Crude Oil & Natural Gas Facilities

Good morning, members of the Citizens Advisory Council and Environmental Justice Advisory Board, I'm John Rutecki, Manager of Regulatory and Legislative Affairs for the Environmental Defense Fund (EDF).

EDF applauds Governor Shapiro and the Department of Environmental Protection's efforts to implement existing source methane standards that will protect public health, reduce emissions, and create jobs in the Commonwealth. Thank you for the opportunity to provide public comment.

We hope that Governor Shapiro will continue demonstrating his leadership in addressing methane emissions by swiftly implementing the strongest possible protections in Pennsylvania. Implementing methane standards is the next logical step based on Governor Shapiro's aggressive record in addressing the issue. Now is the time for the Governor to act for the safety of Pennsylvanians as well as the economic health of the state. Addressing methane emissions in Pennsylvania can no longer be delayed.

The Shapiro Administration has an important opportunity to reduce methane emissions from existing oil and gas operations. Improved air quality and the chance to meet his all-of-the-above vision for Pennsylvania's energy future are all within arm's reach. Reducing methane emissions can improve the state's safety, health, and economic competitiveness. The cost-effective technical solutions that deliver these reductions are ready for use, with a proven, successful track record in other states and international jurisdictions. Many leading operators are already deploying them in the field and creating thousands of local jobs.

Some leading operators in Pennsylvania, like EQT, have prioritized methane emissions reductions in their operations and shown that significant pollution reductions are feasible--but not all producers have made these choices<sup>2</sup>. Implementing these safeguards will raise the bar in the state, provide regulatory certainty, and ensure that all producers control their pollution. Pennsylvania can provide this certainty and EDF is ready for meaningful stakeholder engagement to ensure the rule's vital benefits are fully realized here.

Pennsylvania's methane emissions remain too high. Methane has an elevated short-term impact on the atmosphere, meaning that cutting this pollution is one of the fastest, most cost-effective ways to slow the rate of warming in the near term and avert its worst impacts<sup>3</sup>. Reducing methane emissions will also protect the Commonwealth's residents from health-harming pollution, reduce energy waste, and keep the State's energy industry competitive in the global market. Data collected by MethaneAIR (MAIR) found that oil and gas operations in the Appalachian Basin have the second highest total methane emissions (167,000 kg/hr) in the nation, behind only the

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<sup>2</sup> PR Newswire, EQT Eliminates nearly 9,000 Natural Gas-Powered Pneumatic Devices, <https://www.prnewswire.com/news-releases/eqt-eliminates-nearly-9-000-natural-gas-powered-pneumatic-devices-301713418.html>

<sup>3</sup> IEA, *Curtailing Methane Emissions from Fossil Fuel Operations* (Oct. 2021), <https://www.iea.org/reports/curtailing-methane-emissions-from-fossil-fuel-operations>

Permian Basin. While the basin's methane loss rate was less than 1%, this is still 5 times higher than industry targets<sup>4</sup>.

This data reinforces the need to cut pollution from oil and gas operations across Appalachia, especially Pennsylvania, the country's second-largest producer of natural gas. Emissions were found to be high even in the northeast part of the state where there is a lower density of dry-gas, marginal wells that are largely exempt from protections in the recently adopted Control Technique Guidelines. The Department of Environmental Protection should move quickly to implement these commonsense regulations to reduce methane from existing oil and gas operations.

### **Cutting Methane Stimulates Economic Growth and Economic Competitiveness**

State-led efforts to cut methane pollution also support job creation in the rapidly growing methane mitigation industry, which provides the goods and services needed to help companies measure and reduce their emissions.

Forthcoming analysis from Datu Research found the total number of manufacturing and service firms in the state is up 60% over the last 10 years, with room to grow. Pennsylvania has added one manufacturing firm per year for the last three years. Total employee locations are up 36.1% over the last three years with 50 locations statewide. In a 2021 survey, more than 75% of these firms expect to create additional jobs with strong methane policies in place.

These rules are needed to keep Pennsylvania's oil & gas industry competitive as foreign and domestic markets are demanding cleaner sources of energy. In May, the European Union adopted a new law to impose methane intensity limits on oil and gas imports<sup>5</sup>. To date, 155 companies have signed the Global Methane Pledge to reduce emissions 30% from 2020 levels by 2030<sup>6</sup>. PA oil and gas operators and regulators must act now if Pennsylvania wants to stay competitive in these markets.

### **Emission reduction impacts**

EPA estimates that when fully implemented these protections will cut pollution from covered sources by 80%, reduce climate-damaging methane and other toxic, smog-forming pollution from fugitive emissions – delivering vital health and climate benefits to Pennsylvania's disproportionately impacted frontline communities<sup>7</sup>.

These requirements are also extremely cost-effective for producers. EPA estimates that compliance costs would increase the price of natural gas by about \$0.06 per mcf. Compliance costs from these standards are estimated to make up less than 1% of annual revenue for

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<sup>4</sup> MethaneSAT, *New Data Shows U.S. Oil and Gas Methane Emissions Over Four Times Higher than EPA Estimates*, <https://www.methanesat.org/project-updates/new-data-show-us-oil-and-gas-methane-emissions-over-four-times-higher-epa-estimates>

<sup>5</sup> Regulation (EU) 2024/1787 of the European Parliament and of the Council of 13 June 2024 on the reduction of methane emissions in the energy sector and amending Regulation (EU) 2019/942, Text with EEA relevance [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L\\_202401787](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202401787)

<sup>6</sup> Global Methane Pledge <https://www.globalmethanepledge.org/#pledges>

<sup>7</sup> EPA, *EPA Issues Final Rule to Reduce Methane and Other Pollution from Oil and Natural Gas Operations Fact Sheet*, <https://www.epa.gov/system/files/documents/2023-12/epas-final-rule-for-oil-and-gas-operations.-overview-fact-sheet.pdf>

producers. EPA also estimates that compliance costs will make up a similarly low percentage of revenue for small operators<sup>8</sup>.

U.S. EPA recently announced \$850 million in available funding through the Methane Emissions Reduction Program (MERP), under the Inflation Reduction Act to cut pollution from oil and gas operations nationwide<sup>9</sup>. PADEP can apply for this competitive funding to help with the completion of their state methane plan and to help smaller marginal well operators comply with the new rules. Swift adoption and compliance with these standards not only significantly reduce emissions but will also help large producers avoid potential risks under the Waste Emissions Charge (WEC). MERP complements and reinforces these methane standards. Each tool plays an important and reinforcing role in tackling methane pollution<sup>10</sup>.

Strong and comprehensive pollution standards from PADEP are needed to ensure protective, broad, and equitable pollution reductions for all communities. Meanwhile, a charge on especially wasteful levels of methane emissions further discourages pollution and holds companies accountable for their impact. MERP recognizes the importance of methane regulations and contains an exemption from the charge for companies in compliance with protective methane standards. Because the charge only applies to operators of large facilities with major emissions, smaller companies may not be subject to the charge. For instance, an independent operator with many low-producing wells within a particular basin may be exempt from the charge.

The cost of inaction is too high to deliberate on this opportunity. Both the public health of residents and the livelihood of the Pennsylvania economy depend on Governor Shapiro taking decisive action and securing a clean energy future for the Commonwealth.

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<sup>8</sup> See EPA, Regulatory Impact Analysis of the Standards of Performance for New, Reconstructed, and Modified Sources and Emissions Guidelines for Existing Sources: Oil and Natural Gas Sector Climate Review at 4-77

<sup>9</sup> EPA, *EPA, DOE Announce \$850 Million to Reduce Methane Pollution from the Oil and Gas Sector*, <https://www.epa.gov/newsreleases/epa-doe-announce-850-million-reduce-methane-pollution-oil-and-gas-sector>

<sup>10</sup> 42 U.S.C. § 7436