



Comments of the Regulatory Action Center

Re: Oil and Natural Gas Sector: Emission Standards for New, Reconstructed, and Modified
Sources Review

Docket ID: EPA-HQ-OAR-2017-0757-0002

November 25, 2019

The Regulatory Action Center at FreedomWorks Foundation is dedicated to educating Americans about the impact of government regulations on economic prosperity and individual liberty. FreedomWorks Foundation is committed to lowering the barrier between millions of FreedomWorks citizen activists and the rule-making process of government bureaus to which they are entitled to contribute.

On behalf of over 5.7 million activists nationwide, FreedomWorks Foundation appreciates the opportunity to offer these comments regarding the notice and request for comments on the Oil and Natural Gas Sector: Emission Standards for New, Reconstructed, and Modified Sources Review (EPA-HQ-OAR-2017-0757-0002). This notice seeks comment on the decision by the Environmental Protection Agency (EPA) to remove regulatory duplication by amending the 2012 and 2016 New Source Performance Standards (NSPS). These changes come in direct response to President Trump's *Executive Order on Promoting Energy Independence and Economic Growth* which directs agencies to review and reform regulations that "burden the development or use of domestically produced energy resources."¹

Under Section 111 of the Clean Air Act, EPA is required to set NSPS for industrial facilities that the EPA believes contribute significantly to air pollution. Industry groups that emit at least one of the listed toxins are known as source categories and are generally regulated en masse. First published in 1979, the EPA's list of source categories has grown significantly over the years. The original source category listing for the oil and gas industry only included facilities involved in production and processing. In two separate rulemakings in 2012 and 2016, the EPA expanded their statutory authority to regulate the transmission and storage of oil and gas with NSPS.

Because of the current regulatory scheme, segments of the industry involved in transmission and storage of oil and natural gas face what Rep. Liz Cheney (R-Wyo.) once

¹ Exec. Order No. 13783, 82 FR 16093, March 28, 2017.



referred to as an “existential threat.”² These burdensome and unnecessary regulations require these segments of the industry to submit to costly emission reduction programs that are entirely unnecessary. Rather than let science lead regulation, in this instance, the EPA decided to regulate the transmission and storage of oil and natural gas before it was determined whether or not such regulations were necessary for public health or even the appropriate avenue to pursue such ends. By forcing unjustified limitations on emissions of VOCs and methane, the EPA hamstrung the American oil and gas industry. As such, it is imperative that the Agency take the steps outlined in the proposal to rescind these unjustified regulatory burdens.

The proposed changes come in two phases. First, the regulatory action would remove all transmission and storage sources of the industry from regulation under the NSPS. This would include source in transmission and storage of both ozone-forming volatile organic compounds (VOCs) and greenhouse gases (GHGs). Second, the EPA would rescind the methane requirements of any NSPS applicable to sources involved in either production or processing. These methane requirements, the Agency has concluded, would be entirely redundant following the finalization of the first part of the rule.

As EPA notes in the proposal, the original decision to expand NSPS to cover transmission and storage of oil and natural gas went well beyond the authority granted to them by the Clean Air Act. Production and processing is functionally separate from transmission and storage. In order to properly extend NSPS to transmission and storage, the Agency itself agrees that it would require a separate study to confirm that transmission and storage “contribute significantly to air pollution” and are a “danger to the public health.” Since no such objective study has been done, the current interpretation allowing regulation of the transmission and storage of oil and natural gas under NSPS is arbitrary and capricious.

As if that wasn’t enough, the Regulatory Impact Analysis for the proposal estimates the oil and gas industry would save \$17 to \$19 million per year. This is money that can be reinvested in research and development of new emissions reducing technology like carbon capture apparatus.

FreedomWorks Foundation is proud to join like-minded individuals and groups in supporting the administration's efforts to roll back burdensome regulations in the oil and gas industry. This administration has made effective inroads at combating regulatory overreach and

² Congressional Western Caucus. *Trump Admin Acts to Eliminate Obama-Era Methane Mandates*. Press Release. August 29, 2019.
<https://westerncaucus.house.gov/news/documentsingle.aspx?DocumentID=3157>



duplicity and FreedomWorks Foundation looks forward to working with the administration in the future to continue cutting red tape and rolling back those regulations that are most damaging to the American people.

Respectfully submitted,

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