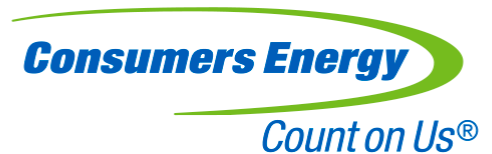


# GHG Regulatory Update

Matthew D. Hall



# Agenda

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- Update on the Clean Power Plan
- Tailoring Rule
- GHGs and the Oil and Gas Industry
- The Methane Challenge Program

# Clean Power Plan

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- Clean Power Plan (CPP) timeline
  - October 23, 2015 – CPP published in Federal Register
  - February 9, 2016 – Stayed by SCOTUS
  - September 27, 2016 – Oral Arguments at D.C. Circuit
  - March 28, 2017 – President Trump Executive Order to EPA

# CPP Proposed Repeal cont.

- October 16, 2017 Federal Register notice
  - “Under the interpretation proposed in this notice, the CPP exceeds the EPA’s statutory authority and would be repealed.”
- Repeal is based entirely on a legal assessment
- Notice repeatedly refers to a “best system of emission reduction” that is:
  - “applicable at and to an individual source”
  - “can be applied to or at a single source”
  - “can be employed to, for, or at a particular source”

# CPP Proposed Repeal cont.

- Proposed repeal does not contain replacement provisions
- Does reference an intent to issue an Advance Notice of Proposed Rulemaking (ANPRM) in the near future.
- The Endangerment Finding
  - Footnote comment that the 2009 GHG Endangerment Finding is not at issue

# CPP Proposed Repeal cont.

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- Next steps
  - Comment period extended to January 16, 2018
  - Public Hearing on November 28 – 29
- CPP Proposed Repeal does not affect the §111(b) standards for Electric Utility Generating Units

# Tailoring Rule

- *UARG v. EPA* – June 23, 2014, SCOTUS
- *Coalition for Responsible Regulation, Inc. v. EPA* – April 10, 2015, D.C. Circuit
- EPA may not treat GHGs as an air pollutant for purposes of determining whether a source is “major” for purposes of obtaining a PSD or Title V permit
  - But EPA may regulate GHG emissions via BACT if that source has emissions otherwise requiring those permits
- EPA Oct 3, 2016 proposed rule to establish a GHG Significant Emission Rate (SER)
  - No action on this proposed rulemaking

# GHGs and the Oil and Gas Industry

- 2016 Oil and Gas New Source Performance Standards for New, Reconstructed, and Modified Sources
- NSPS 0000a – June 3, 2016
  - Expanded existing NSPS 0000 by requiring methane reductions from both previously subject sources and established methane and VOC standards from equipment not previously subject to NSPS 0000



## NSPS 0000a cont.

- April 4, 2017 – EPA announces it is reviewing the 2016 Oil and Gas NSPS and, if appropriate, will initiate reconsideration proceedings to suspend, revise or rescind this rule.
- Based on President Trump's March 28, 2017 E.O.
  - "...are appropriately grounded in statutory authority..."
  - "...appropriately promote cooperative federalism..."
  - "...maintain the diversity of reliable energy resources..."

# EPA Methane Challenge

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- Voluntary program developed by EPA with industry stakeholder participation
  - "... provides a platform for partners to showcase their efforts to reduce methane emissions, improve air quality, and capture and monetize this valuable energy resource."
- The BMP Commitment Option
  - Partners identify five year commitments to implement EPA's Best Management Practices
- The ONE Future Emissions Intensity Commitment Option
  - Goal to reduce methane emissions to 1% or less by 2025

# Questions...

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- & (hopefully) Answers