

Sent: 1/14/2015 8:25:09 A.M. Eastern Standard Time
Subj: FACT SHEET: Administration Takes Steps Forward on Climate
Action Plan by Announcing Actions to Cut Methane Emissions

THE WHITE HOUSE
Office of the Press Secretary
FOR IMMEDIATE RELEASE
January 14, 2015

FACT SHEET: Administration Takes Steps Forward on Climate Action Plan by Announcing Actions to Cut Methane Emissions

The Obama Administration is committed to taking responsible steps to address climate change and create a cleaner, more stable environment for future generations. As part of that effort, today, the Administration announced a new goal to cut methane emissions from the oil and gas sector by 40 – 45 percent from 2010 levels. The Administration is announcing a series of actions to put the U.S. on a path to achieve this ambitious goal.

U.S. oil production is at the highest level in nearly 30 years, providing important energy security for the U.S. The U.S. is also now the largest natural gas producer in the world, providing an abundant and affordable source of energy to power and heat American homes and businesses. Continuing to rely on these domestic sources of energy is an important element of the President's energy strategy. At the same time, methane – the primary component of natural gas – is a potent greenhouse gas, with 25 times the heat-trapping potential of carbon dioxide over a 100-year period.

Methane emissions accounted for nearly 10 percent of U.S. greenhouse gas emissions in 2010. About 60 percent of those emissions came from the production, transmission and distribution of oil and natural gas. Emissions from the oil and gas sector are down 16 percent since 1990 and current data show significant reductions from 2010 levels, notably well completions. Nevertheless, emissions from the oil and gas sector are projected to increase 10 percent by 2025 without additional steps to lower them. For these reasons, a strategy for reducing methane emissions from the oil and gas sector is an important component of efforts to address climate change.

The steps announced today are also a sound economic and public health strategy because capturing methane emissions means capturing valuable fuel that is otherwise wasted and reducing other harmful pollutants that affect public health and the economy. Achieving the Administration's goal would save up to 180 million gallons of natural gas in 2025, enough to heat more than 2 million homes for a year and continue to support the development and sale of cost-effective technologies to identify, quantify, and reduce methane emissions.

ADMINISTRATION ACTIONS TO REDUCE METHANE EMISSIONS

Building on prior actions by the Administration, and leadership in states and industry, today the Administration is announcing a series of steps encompassing both commonsense standards and cooperative agreements with states, tribes and industry to put us on a path toward the 2025 goal. This coordinated, cross-agency approach also considers the important role of FERC, state utility commissions and other agencies.

agencies, and industry. Administration actions include:

Propose and Set Commonsense Standards for Methane and Ozone-Forming Emissions Sources

In 2012, the Environmental Protection Agency (EPA) laid a foundation for further action with volatile organic compounds (VOC) from the oil and natural gas industry. These standards are expected to reduce 190,000 to 290,000 tons of VOC and decrease methane emissions in million tons of carbon pollution per year. The standards not only relied on technologies and a widespread use in the oil and gas sector, but also incorporated innovative regulatory flexibility. Streamline permitting of oil and gas production on certain tribal lands, this approach ensures that economic and environmental protections could be achieved while oil and gas production continued to grow.

Building on five technical white papers issued last spring, the peer review and public input documents, and the actions that a number of states are already taking, EPA will initiate a new set of standards for methane and VOC emissions from new and modified oil and gas production, processing and transmission sources. EPA will issue a proposed rule in the summer of 2016. In developing these standards, EPA will work with industry, states, tribes, and other stakeholders on a range of common-sense approaches that can reduce emissions from the sources discussed in the Gas White Papers, including oil well completions, pneumatic pumps, and leaks from wellhead and compressor stations, and compressor stations. As it did in the 2012 standards, the agency, in developing new standards, will focus on in-use technologies, current industry practices, emerging innovative technologies, and flexible regulatory approaches to ensure that emissions reductions can be achieved as oil and gas operations continue to grow.

New Guidelines to Reduce Volatile Organic Compounds

EPA will develop new guidelines to assist states in reducing ozone-forming pollutants from oil and gas production in areas that do not meet the ozone health standard and in states in the Ozone Transport Region. These guidelines also reduce methane emissions in these areas. The guidelines will help states that are developing plans by providing a ready-to-adopt control measure that they can include in those plans.

Consider Enhancing Leak Detection and Emissions Reporting

EPA will continue to promote transparency and accountability for existing sources by strengthening the Leak Detection and Emissions Reporting Program to require reporting in all segments of the industry. In addition to finalizing the program EPA has already proposed by the end of 2015, EPA will explore potential regulatory approaches to use remote sensing technologies and other innovations in measurement and monitoring technology to improve the identification and quantification of emissions and improve the overall accuracy and transparency of the program.

Lead by Example on Public Lands

The Department of Interior's Bureau of Land Management (BLM) will update decades-old rules governing venting, flaring, and leaks of natural gas, which is primarily methane, from oil and gas wells on public lands. The proposed rule, announced this spring, will address both new and existing oil and gas wells on public lands. The rule will improve energy security and economy by boosting America's natural gas supplies, ensuring that the

due to them from development of public resources, and reducing emissions. BLM will work on an integrated approach.

Reduce Methane Emissions while Improving Pipeline Safety

The Department of Transportation's Pipeline and Hazardous Materials Safety Administration is updating natural gas pipeline safety standards in 2015. While the standards will focus on safety, they will also address methane emissions as well.

Drive Technology to Reduce Natural Gas Losses and Improve Emissions Quantification

The President's FY16 Budget will propose \$15 million in funding for the Department of Energy to demonstrate more cost-effective technologies to detect and reduce losses from natural gas distribution systems. This will include efforts to repair leaks and develop next generation leak detection technology. The budget will also propose \$10 million to launch a program at DOE to enhance the quantification of methane emissions from natural gas infrastructure for inclusion in the national Greenhouse Gas Inventory in coordination with EPA.

Modernize Natural Gas Transmission and Distribution Infrastructure

DOE will continue to take steps to encourage reduced emissions, particularly from natural gas distribution, including:

- Issuing energy efficiency standards for natural gas and air compressors;
- Advancing research and development to bring down the cost of detecting leaks;
- Working with FERC to modernize natural gas infrastructure; and
- Partnering with NARUC and local distribution companies to accelerate pipeline repair and maintenance at the local level.

Release a Quadrennial Energy Review (QER)

The Administration will soon release the first installment of the QER, which focuses specifically on energy infrastructure. The QER will include additional policy recommendations and analysis on the environmental, safety, and economic impacts of energy infrastructure investments that reduce natural gas system leakage.

INDUSTRY ACTIONS TO REDUCE METHANE EMISSIONS

The Administration's actions represent important steps to cut methane emissions from the oil and gas sector. Attaining the Administration's goal will require additional action, particularly with respect to emissions from the oil and gas value chain. Several voluntary industry efforts to address these sources are underway, including the successful Natural Gas STAR Program by launching a new partnership in collaboration with EPA later in 2015. EPA will work with DOE, DOT, and leading companies, individually and through the One Future Initiative and the Downstream Initiative, to develop and verify robust controls to reduce methane emissions. This new effort will encourage innovation, provide accountability and transparency, and progress toward specific methane emission reduction activities and goals to reduce methane emissions from the oil and gas value chain.

Voluntary efforts to reduce emissions in a comprehensive and transparent manner hold the promise of achieving significant reductions in a quick, flexible, cost-effective way. Achieving significant methane

voluntary industry programs and state actions could reduce the need for future regulations; ready to collaborate with these and other voluntary efforts, including in the development of reporting and verification.

BUILDING ON PROGRESS

Today's announcement builds on the "Strategy to Reduce Methane Emissions" released in its July 2014 release, the Administration has taken a number of actions to set us on a course to reduce methane emissions from the oil and gas sector and other sources:

- DOE has launched a new initiative that will make up to \$30 million available to develop and test technologies that can help detect and measure methane emissions from oil and gas operations. DOE announced the 11 innovative projects selected.
- DOE convened a series of roundtable discussions with leaders from industry, environmental groups, regulators, consumer groups, academia, labor unions, and other stakeholders. This was followed in July 2014, with the creation of an *Initiative to Modernize Natural Gas Transmission and Distribution Infrastructure* that laid out a series of executive actions, partnerships, and stakeholder actions to modernize the nation's natural gas transmission and distribution systems, increase efficiency, and reduce methane emissions.
- The US Department of Agriculture (USDA), EPA and DOE, in partnership with the cattle industry, released a *Biogas Opportunities Roadmap* in August 2014 highlighting voluntary actions to increase methane capture through the use of biodigesters.
- BLM released an Advanced Notice of Proposed Rulemaking (ANPRM) in April 2014 for the development of a program for the capture and sale, or disposal, of waste methane from oil and gas lands.
- EPA proposed updates to its 1996 New Source Performance Standards for new methane sources and sought public feedback on whether EPA should update guidelines for existing sources. EPA anticipates finalizing this year.

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