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Five principles for the president's new methane policy

By Fred Krupp

The twin demands of energy security and climate security are creating a decisive moment for President Obama. As his administration prepares a policy to reduce methane emissions from the oil-and-gas sector, the president has an opportunity to cut both energy waste and climate pollution. It is time for the U.S. to end the era of unlimited industrial methane pollution.

Since natural gas is abundant and emits less carbon dioxide than coal when burned, political leaders, including the president, have used it to position themselves as pro-energy production and pro-climate action. Being for natural gas, however, carries serious responsibilities. One is making sure we protect ecosystems and public health. Another is seeing to it that the climate benefit of switching from coal to gas isn't undermined by methane leakage from the natural gas supply chain. We have a long way to go on both counts.

Natural gas is mostly methane, a greenhouse gas 84 times more powerful than carbon dioxide for the first 20 years it is in the atmosphere. If enough uncombusted methane is vented or leaked from wellheads, pipelines, compressors and the like, natural gas can be worse for the climate than coal. One quarter of all the warming we currently experience is caused by methane—which means that reducing the risk of climate-driven extreme weather events tomorrow depends on reducing both carbon dioxide *and* methane emissions today.

Today, there are no limits on methane pollution from most operations in the booming oil and gas sector – the largest industrial source of emissions. This is the moment for the president to ensure that EPA moves forward with national methane standards. I believe the following five principles should guide this policy.

1. A voluntary policy won't do the job. Though some leaks can be closed at a profit, closing many others would impose small costs, and most companies won't bother unless they are required to do so. It is naïve to think 6,000+ producers—in an industry famous for its colorful mavericks—will volunteer to play by the same set of rules. There are some good actors, but only a small number of companies participate in voluntary programs.

Some argue that we don't need methane regulation and claim that these emissions have declined. This is a huge distortion of the facts. While industry has made some improvements, most have come as a result of new EPA standards targeting air pollutants that come back up the well at the end of the drilling process. But the wellhead is just one of many sources of emissions all along the supply chain, so the policy can't stop there. Two of the biggest categories of well emissions (oil well completions and "associated" oil-and-gas wells) are not even covered by these standards. And recent analyses by EPA and ICF International have concluded that under business as usual, emissions in coming years will likely increase.

2. The policy must specifically target methane. Some say we should limit regulations to local air pollutants such as volatile organic compounds (VOCs), which cause smog and other health threats. But we need to control all pollutants, including methane. The problem cannot be solved until EPA addresses this pollutant directly.

3. The policy must be comprehensive. The administration faces a crucial decision: whether to regulate new sources of methane emissions or new *and existing* sources—the vast infrastructure already in operation. Given the huge footprint of the industry, the universe of new sources is tiny compared to existing sources. A recent report by ICF International estimates that in 2018, oil and gas facilities that existed in 2011 will still account for about 90% of methane emissions.

4. The policy must match the scale of the problem. Methane emissions from oil and gas operations amount to 7.7 million metric tons per year, according to EPA estimates—or about \$1.8 billion at today's prices. Reducing them by half, by requiring leak detection and repair and other sensible measures, would save close to \$1 billion a year in wasted product and, over a 20-year time frame, cut climate pollution equivalent to about 90 coal-fired power plants.

It's just common sense. There is no reason to squander our energy resources when, with a modest amount of attention and little cost, we can stop leaks. The ICF study shows we could cut 40 percent of methane emissions or more over five years for just one penny per thousand cubic feet of produced gas. That means that after dealing with this problem, \$4.00 worth of gas would cost \$4.01. That's the biggest bargain in the energy business—affordable even at a time of falling prices.

5. The policy must look to the states for models. Last weekend the Western Governors' Association passed a [resolution](#) recognizing "the environmental benefits to reducing methane emissions and the opportunities for beneficial use of the resource." The governors urged federal agencies to consult with states in developing such policies, while giving them compliance flexibility.

Some states have been real leaders on methane. Last year, under Colorado Governor John Hickenlooper's (D) guidance, energy companies, environmental groups and state legislators found common ground that led to the nation's first rules to directly limit methane emissions. By requiring oil and gas operators to inspect their equipment and repair leaks, Colorado will reduce more than 100,000 tons of methane and some 90,000 tons of VOCs each year—equal to the amount produced by all the cars and trucks in Colorado.

Just as Hickenlooper concluded that comprehensive regulation was needed, Obama must take the lead nationally. With thousands of producers spread around the country, only federal regulation of both new and existing sources can ensure that all companies are on a level playing field and that Americans get the environmental results they deserve.

Krupp is president of the Environmental Defense Fund.

The Hill 1625 K Street, NW Suite 900 Washington DC 20006 | 202-628-8500 tel | 202-628-8503 fax

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