

EPA Will Stress Efficiency in Strategy For Methane This Fall, McCarthy Says

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By Andrew Childers

Sept. 2 — The Environmental Protection Agency will issue a methane strategy in the fall that could include revisions to performance standards for oil and gas wells issued in 2012, Administrator Gina McCarthy said.

“We’re going to be putting out a strategy this fall and we hope everybody will pay attention to that effort. It will be addressing the challenges as well as the opportunities,” McCarthy said Sept. 2 at a Barclays Capital energy forum.

The strategy will emphasize efficiency and reducing the need to flare gas, McCarthy said. The EPA will pursue incentives to natural gas producers to capture and sell more of the gas that it would normally vent or flare, she said.

“You’re really just burning what should be profitable to you,” McCarthy said.

The White House directed the EPA to reconsider whether methane from oil and natural gas systems should be directly regulated as part of a methane strategy released in March. The EPA is required to finalize any additional methane regulation by March 2016, if the agency deems further controls are necessary and feasible.

The EPA issued new source performance standards and national emissions standards for hazardous air pollutants for oil and natural gas well rules in 2012. While the controls required as part of those rules are expected to reduce emissions of methane, the EPA didn’t directly regulate the pollutant (77 Fed. Reg. 49,490).

That rule is expected to reduce methane emissions by 1 trillion cubic feet, McCarthy said.

“We did it full well knowing it would capture the vast majority of methane emissions,” she said. “We did it

and we knew hardly anyone even knew it happened.”

However, the EPA will be “tweaking” that regulation as part of its methane strategy, McCarthy said.

Better Data Needed

The EPA released a series of white papers on regulating methane emissions from the oil and natural gas sector in advance of issuing its methane strategy. Peer reviewers said the agency lacks accurate methane emissions data on oil and natural gas well completions and other production equipment.

In addition, the EPA needs better data on methane leakage from the oil and natural gas system and needs to use an updated global warming potential for methane when it evaluates the sector’s emissions, Vera Pardee, a senior attorney at the Center for Biological Diversity, told Bloomberg BNA. The EPA in November

2013 issued a final rule updating the global warming potential for methane from 21 times more potent than carbon dioxide on a 100-year scale to 25 times more potent (78 Fed. Reg. 71,904).

Global warming potential is a measure of a gas's warming effect on the atmosphere compared with carbon dioxide, which has a warming potential of 1.