



August 9, 2017

The Honorable Scott Pruitt
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

RE: Oil and Natural Gas Sector; Emission Standards for New, Reconstructed, and Modified Sources: Stay of Certain Requirements, Docket ID No. EPA-HQ-OAR-2010-0505-7736

Dear Administrator Pruitt:

Western Energy Alliance supports EPA's proposed two-year delay of the effectiveness of several provisions of the 2016 New Source Performance Standards Subpart OOOOa rule. Delaying the provisions identified in the federal register notice by two years while EPA begins reviewing and revising or potentially rescinding the 2016 New Source Performance Standards Subpart OOOOa rule will prevent oil and natural gas companies from having to divert investment away from job creation and economic growth in order to comply with regulations that will in all likelihood be substantially revised,.

Western Energy Alliance represents over 300 companies engaged in all aspects of environmentally responsible exploration and production of oil and natural gas in the West. Alliance members are independents, the majority of which are small businesses with an average of fifteen employees.

The fugitive emissions monitoring, pneumatic pump, and professional engineer certification of closed vent system requirements would impose significant compliance burdens on our members. EPA identified all of these rule provisions as deserving of a 90-day administrative stay. Although the stay was overturned by the D.C. Circuit Court, the ruling was based solely on procedural issues and didn't address the merits of the rule itself. We believe that when EPA begins the reconsideration process, the flaws with the 2016 rule will become apparent. Critically, the court's ruling on the stay acknowledged that EPA does possess authority to conduct such a reconsideration.

With the withdrawal of the 90-day stay, significant uncertainty about the rule's fate remains. Companies are left scrambling to implement a rule virtually overnight that was otherwise suspended. Moreover, with a two-year stay and reconsideration on the horizon,

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the rule's current requirements will likely be different in a very short time. Companies must now purchase optical gas imaging (OGI) equipment and pneumatic pumps, conduct training, and hire regulatory personnel in order to meet their compliance obligations. Those expenditures will become nullified later when the rule changes substantially, forcing companies into yet another round of expenditures to meet the obligations of a new rule. That duplicative outlay of capital diverts resources away from job creation and economic growth and into unnecessary regulatory compliance.

The back-and-forth on compliance introduces extreme uncertainty as companies develop budgets and investments for 2018 and beyond. Companies may be forced to delay development or avoid projects entirely in order to avoid regulatory costs that may be entirely moot following reconsideration of the 2016 rule. We fully support a quick resolution to the current rulemaking on the two-year stay in order to minimize industry's exposure to repeated changes in regulatory requirements.

We hope that two years is an adequate length of time to stay the rule in order to give EPA time to complete the full rulemaking. As EPA is well aware, Administrative Procedures Act (APA) rulemaking processes can be very time consuming. We urge EPA to move forward expeditiously to finalize the rulemaking, but cutting corners with the public comment process or other APA steps can leave the agency legally vulnerable. We appreciate that EPA is undergoing this full, deliberative process to ensure the stay and subsequent reconsideration are indeed legally defensible.

Even without the 2016 OOOOa rule industry continues its successful efforts to reduce emissions through technological innovation. According to EPA's greenhouse gas inventory,¹ since 1990 methane emissions from petroleum and natural gas systems have declined 19% while natural gas production has increased 52%.² In the 2017 inventory, petroleum system emissions continued their successful long-term trends, declining 28.9% since 1990. From 2014 and 2015 alone, petroleum system emissions dropped 7.5%, "...primarily due to decreases in emissions from associated gas venting and flaring."

Finally, we request EPA consider providing guidance on Greenhouse Gas Reporting Program Subpart W reporting requirements that are derived from OOOOa fugitive emissions monitoring requirements. A stay of the 2016 OOOOa rule does not change this requirement in Subpart W, which EPA could likewise consider suspending.

¹ [Inventory of U.S. Greenhouse Gas Emissions and Sinks, 1990-2015](#), EPA, April 14, 2017.

² [U.S. Dry Natural Gas Production](#), Energy Information Administration, Accessed June 27, 2017.

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Thank you for the opportunity to comment. We support EPA swiftly enacting a two-year stay, and look forward to providing EPA substantive technical comments in the subsequent OOOOa rulemaking.

Sincerely,

A handwritten signature in black ink, appearing to read "Ryan Streams".

Ryan Streams
Manager of Regulatory Affairs