

United States Senate
WASHINGTON, DC 20510

August 25, 2020

The Honorable Gene L. Dodaro
Comptroller General
United States Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Mr. Dodaro:

We request that the Government Accountability Office (GAO) conduct a comprehensive review and report of issues associated with methane emissions from oil and natural gas development that are influencing decisions associated with the regulation of these emissions by the Environmental Protection Agency (EPA).

According to the EPA, Methane emissions account for approximately 9 percent of the United States Greenhouse Gas Emissions Inventory. Oil and natural gas contributes less than one-third of these emissions with oil and natural gas production accounting for about 1.2 percent of the total Inventory or roughly one-third of the oil and natural gas contributions. The Obama administration's EPA promulgated two New Source Performance Standards (NSPS) and one set of Control Techniques Guidelines that provided a federal framework for regulation of both methane and Volatile Organic Compounds (VOC) emissions from these operations. Numerous states have developed comprehensive regulations and the industry has instituted several voluntary reduction management efforts.

These two NSPS were developed under rushed schedules. Since 2017, key elements of these regulations have been under reconsideration by the Trump administration. These regulatory actions have continued to be contentious in part because of wide disagreements over the quality of emissions estimates and the structure of the regulatory programs. There are two significant issues in these regulatory actions that have produced increasing calls for modification.

First, the EPA is now considering modification of the scope of the source category to reverse its scope to its previous status. Currently, the source category applies to production, gas processing, transmission and storage. Previously, it applied to production and gas processing. At issue is whether the expansion of the source category scope was properly justified.

Second, a key component of the regulatory structure is a fugitive emissions program designed for large production wells but applied to all new and modified wells and potentially to all existing wells most of which are low production facilities operated by small businesses. At issue is whether the basis for these requirements was soundly developed and whether they are cost effective. This decision becomes far more compelling if the regulated emission remains methane because it would trigger a nationwide existing source regulation. This action would then apply a regulation designed for large new oil and natural gas wells to hundreds of thousands of low production wells and put their continuing existence in severe jeopardy.

To better understand the nature of these regulatory actions, it is essential to obtain a full assessment of the quality of the rulemaking process, including whether the EPA actively developed the information necessary to create its regulations. Therefore, we are requesting that GAO conduct a study and issue a comprehensive report on the methane emissions regulatory process. In conducting such a study, we request that the Comptroller General consult with the appropriate federal agencies responsible for the regulation and oversight of methane emissions, including the Small Business Administration and the Department of Energy, the regulated industries, state regulators, and environmental advocacy organizations that have submitted analyses of the regulations.

In addition to any relevant recommendations, we specifically request that GAO examine and report on the following:

1. When the EPA expanded the Subpart OOOOa source category to include natural gas transmission and natural gas storage, what emissions data had the EPA taken on these new components of the source category or did it rely on information prepared by others?
2. From that emissions information, how did the EPA determine that these components were significant contributors to greenhouse gas emissions to require regulation?
3. When the EPA developed its Subpart OOOOa fugitive emissions regulations, it largely relied on emissions analyses done by the Gas Technology Institute (GTI) in the mid-1990s. Were these analyses developed for the purpose of creating regulations? Did the EPA develop any emissions data on its own and compare that data to the GTI materials?

4. In 2015, the EPA proposed a fugitive emissions program that did not apply to low production oil and natural gas wells. In 2016, the EPA finalized its Subpart OOOOa fugitive emissions program including low production wells. Did the EPA revise its Best System of Emissions Reductions (BSER) analysis to reflect the expansion of the scope of the program to small business, low production wells?
5. The Department of Energy is conducting a project to develop an emissions profile for low production oil and natural gas wells. Did the EPA develop an emissions profile for low production wells by taking its own data?
6. An array of environmental advocacy organizations has published numerous studies alleging methane emissions exceed those reported to the Greenhouse Gas Inventory. How many of these studies are based on emissions from facilities complying with the requirements of Subpart OOOO? Has the EPA validated the quality control of the data used for these studies?
7. At what point in time will the United States oil and natural gas well inventory be comprised of wells that are subject to Subpart OOOO with the remainder low production wells?
8. What impact did the time pressures of the consent decree that drove the completion of Subpart OOOO and the political pressures to complete Subpart OOOOa before the end of 2016 have on the ability of the EPA to develop its own emissions profiles based on data that it took and controlled as the basis for these regulations?

Thank you for your attention to these important issues regarding the fundamental responsibilities of the EPA to develop sound regulations.

Sincerely,



James M. Inhofe
United States Senator



Kevin Cramer
United States Senator



John Barrasso, M.D. United
States Senator



James Lankford
United States Senator