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April 26, 2021

Hon. Charles Schumer
Senate Majority Leader
322 Hart Senate Office Bldg.
Washington, D.C. 20510

Hon. Mitch McConnell
Senate Minority Leader
317 Russell Senate Office Bldg.
Washington, D.C. 20510

Hon. Nancy Pelosi
Speaker of the House
1236 Longworth H.O.B.
Washington, D.C. 20515

Hon. Kevin McCarthy
House Minority Leader
2468 Rayburn H.O.B.
Washington, D.C. 20515

Re. Senate Joint Resolution 14/House Joint Resolution 34 –
Disapproval of Environmental Protection Agency Rule
Rescinding Methane Regulation

Dear Senator Schumer, Senator McConnell, Speaker Pelosi, and Representative McCarthy:

The Attorneys General of New York, California, Colorado, Connecticut, Delaware, Illinois, Iowa, Maine, Maryland, Massachusetts, Michigan, Minnesota, New Jersey, New Mexico, North Carolina, Oregon, Pennsylvania, Rhode Island, Vermont, Washington, and the District of Columbia, and the chief legal officers of Chicago and Denver support using the Congressional Review Act (CRA) to invalidate a regulation of the Environmental Protection Agency (EPA) that eliminated important limits on air pollution from oil and gas facilities, 85 Fed. Reg. 57,018 (Sept. 14, 2020) (Rescission Rule). Because that rule is legally flawed and would significantly increase pollution that harms our residents and natural resources, using the CRA to expeditiously nullify the rule is justified. Restoring the prior regulation will ensure that new oil and gas facilities apply common sense, cost-

effective measures to control emissions of methane and volatile organic compounds (VOCs), and facilitate state efforts to limit pollution from existing oil and gas facilities.

Methane and VOCs Emitted by Oil and Gas Facilities

Methane is a potent greenhouse gas that is responsible for about a quarter of the global warming we are experiencing today. Oil and natural gas facilities are the single largest industrial source of methane emissions. Methane emissions from oil and gas sources are harming the States and our residents by significantly contributing to climate change. Our States are experiencing substantial injuries from climate change, including property damage and hazards to human safety associated with sea level rise and increased severity of storms and flooding; increased deaths and illnesses due to intensified and prolonged heat waves; harms to lives and property caused by increased frequency and duration of wildfires; and damage to public health – particularly among our children, elderly, and those with lung ailments – due to local air pollution exacerbated by hotter temperatures. These injuries are often most severe in low-income communities and communities of color. Scientists have found that substantial reductions in global methane emissions this decade is critical if we are to have a realistic chance of avoiding catastrophic effects from climate change.

Oil and gas facilities are also a substantial source of VOCs, a primary component of ground-level ozone (smog). Several of our States experience persistent and widespread unhealthy levels of smog, which EPA has found results in numerous harms to public health, including triggering asthma attacks and even premature death. The States' smog problems are often substantially caused or exacerbated by the transport of smog precursors, such as VOCs, from emission sources located upwind. More than 9 million people live within a half mile of an existing oil or gas well, including approximately 600,000 children under the age of five and 1.4 million over 65, groups that are especially sensitive to the health risks posed by ozone and other local air pollution.

The Rescission Rule

The Rescission Rule eliminated methane emission standards for new (including modified and reconstructed) oil and gas facilities¹ that EPA issued four years earlier pursuant to section 111(b) of the Clean Air Act. *See* 40 C.F.R. part 60, subpart OOOOa, 81 Fed. Reg. 35,824 (June 3, 2016). Through common sense, cost-effective approaches such as more efficient technology and leak detection and repair, the 2016 rule secured important reductions of methane and VOC pollution. EPA sensibly required that the emission standards apply to similar equipment used in the production, processing, and transmission and storage segments, *i.e.*, up to the point that natural gas is delivered for distribution to businesses and consumers. In sum, the 2016 rule helped to prevent and mitigate significant harms to public health and the environment while increasing the efficiency of natural gas operations.

Despite these substantial public health, environmental, and economic benefits, the Trump EPA nonetheless promulgated the Rescission Rule, which repealed the requirements that directly targeted methane emissions at new facilities. The Rescission Rule also eliminated pollution abatement requirements for methane and VOCs emitted by facilities engaged in the transmission and storage of natural gas, despite the fact that this segment uses some of the same equipment (*e.g.*, compressors, pneumatic pumps) as production and processing facilities. EPA acknowledged that the Rescission Rule would result in increased pollution emissions from new facilities, including 448,000 more tons of methane, 12,000 more tons of VOCs, and 400 more tons of hazardous air pollutants by 2030. 85 Fed. Reg. at 57,065.

EPA also included in the Rescission Rule a new hurdle for limiting pollution under section 111(b) of the Clean Air Act: to adopt emission limits on any additional pollutant for sources already regulated under section 111(b), EPA must make a pollutant-specific “significant contribution” finding. *See* 85 Fed. Reg. at 57,019. This new obstacle contravenes EPA’s longstanding position that the agency may require

¹ These standards apply to new, modified, or reconstructed facilities on which construction commenced after September 18, 2015. 40 C.F.R. § 5365a.

emission limits for other pollutants from already-listed sources provided it demonstrates a rational basis for doing so, and creates an unjustified roadblock making it more difficult for EPA to carry out its mission to protect public health and the environment. The D.C. Circuit Court of Appeals recently vacated a related EPA rule that sought to implement EPA's new significant contribution finding requirement, further undermining this theory.²

As noted above, the Rescission Rule would result in significant increases in emissions from new oil and gas facilities. These pollution increases are just part of the story, however, because the rule also blocks Clean Air Act regulation of existing oil and gas facilities – facilities that collectively emit substantial amounts of methane pollution. Under the Clean Air Act, there must be pollutant emission standards in effect for new facilities under section 111(b) of the Act to trigger the requirement under section 111(d) of the Act for EPA to promulgate emission guidelines that facilitate states' developing plans that limit emissions of the same pollutant from existing facilities.

EPA is required under its regulations to issue existing source emission guidelines “upon or after promulgation” of standards for new facilities, 40 C.F.R. § 60.22a(a). Although EPA did not issue the guidelines in 2016 when it finalized the previous new source rule, it began work that year to “swiftly” develop guidelines to limit methane emissions from existing sources. That work ground to a halt shortly after the Trump Administration took office, leading a group of our States to sue EPA in on the grounds that it had unreasonably delayed issuance of the emission guidelines, *New York v. EPA* (D.D.C. No. 18-773). In that litigation, EPA contended that it could not be compelled to issue the guidelines because it was in the process of eliminating its statutory obligation to regulate methane from existing sources, a process that culminated in the Rescission Rule.

Significantly, the Rescission Rule was opposed by a wide range of stakeholders, from independent domestic companies such as Jonah

² See Order in *State of California v. EPA*, D.C. Cir. No. 21-1035 (Apr. 5, 2021) (ECF #1893157).

Energy and Pioneer Natural Resources to the largest oil and gas companies such as BP, Shell, and ExxonMobil. These industry leaders support the direct regulation of methane from oil and natural gas facilities because it is the right thing to do for the environment, will lead to consistent regulation across the U.S., and can be cost-effectively achieved.³

The Disapproval Resolutions

Pursuant to the CRA, enacting the disapproval resolutions, once signed by the President, results in the subject rule “being treated as though such rule had never taken effect.” 5 U.S.C. § 801(f). Here, by restoring the 2016 rule’s emission standards for new facilities and paving the way for EPA to facilitate state regulation of methane from existing facilities, passing the disapproval resolutions under the CRA would result in substantial public health, environmental, and economic benefits. According to EPA, the 2016 rule was expected to reduce 510,000 tons of methane, 210,000 tons of VOCs, and 3,900 tons of hazardous air pollutants in 2025 alone. 81 Fed. Reg. at 35,827. Between the health benefits of the 2016 rule and the increased revenues that operators would realize from recovering natural gas that would otherwise be released, EPA determined that the 2016 rule would result in a net benefit of \$170 million in 2025. *Id.* at 35,827-28.

Enacting the disapproval resolutions would also help EPA promptly fulfill its obligation to develop emission guidelines that states

³ See Comments of Paul Ulrich, Vice President-Government and Regulatory Affairs, Jonah Energy LLC (Nov. 25, 2019), *available at* <https://www.regulations.gov/comment/EPA-HQ-OAR-2017-0757-1825>; Comments of Gretchen C. Kern, Senior Environmental Policy Advisor, Pioneer Natural Resources USA, Inc. (Nov. 25, 2019), *available at* <https://www.regulations.gov/comment/EPA-HQ-OAR-2017-0757-1125>; Comments of Joe Ellis, Vice President, Head of U.S. Government Affairs, BP America, Inc. (Nov. 25, 2019), *available at* <https://www.regulations.gov/document?D=EPA-HQ-OAR-2017-0757-1837>; Comments of Krista Johnson, Head, US Government Relations, Shell Oil Company (Nov. 25, 2019), *available at* <https://www.regulations.gov/document?D=EPA-HQ-OAR-2017-0757-1417>; Comments of Staale Gjervik, Senior Vice President, ExxonMobil (Nov. 25, 2019), *available at* <https://www.regulations.gov/document?D=EPA-HQ-OAR-2017-0757-1421>.

can use to craft plans to limit methane from existing sources. Had EPA continued on the path it began in 2016, those guidelines would have been issued some time ago and states would now be implementing them. Although Congress cannot turn back the clock, it can take action now that gives EPA clear direction to promptly discharge its overdue statutory duty to limit emissions from these existing, polluting facilities.

Finally, passing the disapproval resolutions would not risk invalidating any subsequent regulations pursuant to the CRA’s “substantially the same” language. *See* 5 U.S.C. § 801(b)(2) (prohibiting a “new rule that is substantially the same as the [disapproved] rule” unless specifically authorized by Congress). The Trump EPA acknowledged that the Rescission Rule is a “deregulatory action.” 85 Fed. Reg. at 57,067. As discussed above, it (1) eliminates direct regulation of methane from new facilities (removing the predicate for state regulation of existing facilities pursuant to section 111(d) of the Clean Air Act), (2) repeals methane and VOC limits on new facilities in the transmission and storage sector, and (3) creates a new legal requirement for EPA to regulate additional pollutants from already-listed source categories under section 111.

Disapproving the Rescission Rule thus would restore the provisions in the 2016 rule that directly regulated methane and VOCs from sources in the transmission and storage sector, and would reinstate EPA’s legal interpretation permitting regulation of additional pollutants from already-listed sources. Accordingly, disapproval of the rule would not stand in the way of EPA using its statutory authority in the future to promulgate more protective standards for new facilities under section 111(b) of the Clean Air Act and more protective emission guidelines for existing facilities under its section 111(d). Indeed, it would be absurd to contend that a CRA resolution disapproving a purely “deregulatory action” would bar a protective future regulation under the statute’s “substantially the same” language.

* * *

We urge the Senate and the House to promptly pass the CRA resolutions disapproving the Rescission Rule. Thank you for your consideration of this important matter.

Sincerely,



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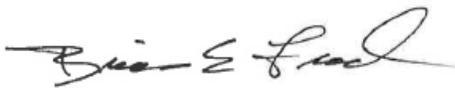
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