



August 2015

U.S. EPA Proposes Methane Limits for Oil and Gas Industry

On August 18, 2015, the U.S. Environmental Protection Agency (EPA) proposed rules to limit emissions of methane, a potent greenhouse gas (GHG), from certain new and modified facilities in the oil and natural gas industry. The proposed rules represent the latest of several major EPA initiatives to address GHGs and climate change, and the first proposed GHG controls specifically for the oil and gas industry. The proposal stems from President Obama's goal of cutting methane emissions from the oil and gas sector to 40 to 45 percent below 2012 levels by 2025.

The proposed rules add methane to the emissions subject to the New Source Performance Standards (NSPS) that EPA adopted in 2012 to address nonmethane volatile organic compound (VOC) emissions from certain oil and gas facilities. According to EPA, sources already subject to the 2012 NSPS requirements for VOCs, such as hydraulically fractured (fracked) gas well completions and equipment leaks at gas processing plants, will not need to install additional controls to comply with the new methane standards. However, the proposed rules also extend both methane and VOC standards to facilities not currently covered under the NSPS, including fracked oil well completions and equipment leaks and other "fugitive" emissions at well sites as well as downstream compressors and other equipment.

EPA has not proposed methane limits for existing oil and gas facilities at this time. The agency, however, has simultaneously proposed other rules and measures aimed at further controlling VOC emissions from existing oil and gas facilities, which also would likely reduce methane emissions as a "co-benefit." These additional proposals seek to clarify when components of an oil or gas production facility, which sometimes can extend over long distances, must be aggregated into a single "source" potentially subject to permitting if emissions exceed certain thresholds. EPA also released draft technical guidelines, known as control techniques guidelines (CTG), regarding available controls for VOC emissions from existing oil and gas facilities. State and local air quality authorities would use the CTG to develop standards for such facilities in certain areas that do not attain national air quality standards for ozone and in the Ozone Transport Region (eleven mid-Atlantic/Northeast states and the District of Columbia metropolitan area).

EPA will take public comments on the proposed regulations and CTG for 60 days after publication in the *Federal Register*, which is expected shortly.

If you have any questions or would like to discuss this update further, please contact one of the following lawyers or any other lawyers in the [Environmental + Utilities Group](#).

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