Industry attacks new rules by questioning their effectiveness

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As oil and gas industry groups lambasted the Obama administration's new methane rules yesterday, they didn't charge that the rules will hurt job growth. Instead, they argued that the rules won't even help the climate very much.

"EPA's new rules will have virtually no impact on global temperatures," said Lee Fuller, executive vice president of the Independent Petroleum Association of America (IPAA).

Todd Staples, president of the Texas Oil & Gas Association, said the rules have "virtually no climate impact." The industry, by contrast, "continues to make historic gains in improving our environment."

Beyond that, they said the rule could hinder the industry's efforts to reduce leaks by locking in certain emissions reduction technologies and suppressing development of others.

It's a view not shared by environmental groups, which lauded the climate and environmental benefits of the suite of rules targeting methane emissions from new and heavily modified oil and gas operations.

"Methane reductions from the oil and gas industry are the most cost-effective tons on the planet -- many of which pay for themselves in only a few years," said Conrad Schneider, advocacy director at the Clean Air Task Force.

A jobs argument might have been difficult for industry groups to make, since their members have been laying off workers by the hundreds amid a prolonged price slump. Still, congressional Republicans made the argument for them.

"I refuse to let the Obama EPA's political agenda get in the way of our Louisiana livelihoods," said Sen. David Vitter (R-La.). He said the rules are part of an effort to "shackle and shut down" oil and gas companies.

The American Petroleum Institute focused on the economic benefit delivered to consumers from low oil and gas prices, saying burdensome regulations could jeopardize that. The group cited figures showing that low gasoline prices saved drivers about $550 each last year.

IPAA's assertion that the rules won't help the climate are based on an **analysis** by its public relations arm, Energy in Depth, using data from the Cato Institute.
"Public data show that the amount of global warming avoided by imposing costly new methane regulations on oil and natural gas activities would be almost zero," wrote Energy in Depth's Steve Everley.

In North Dakota, Lynn Helms, the state's top oil regulator, had a similar take.

"Even the most conservative climate change models show this rule won't move the needle in terms of its impact," Helms said on a conference call with reporters. "We're going to be concerned if there's a lot of climate-change benefit claimed in the cost-benefit analysis."

EPA says the rules will reduce methane emissions by 11 million metric tons of carbon dioxide equivalent in 2025, according to EPA. Administration officials say the rules keep the administration on track with its goal to cut methane emissions from the oil and gas sector by 40 to 45 percent from 2012 levels by 2025 (***Greenwire***, May 12).
Petroleum industry groups have long argued that the methane rules aren't needed because producers have been steadily reducing methane emissions at their facilities.

Beyond that, gas producers note, they have a financial incentive to reduce methane emissions. It's not just pollution prevention for them. It's plugging leaks and getting more of their product to market.

But last month, EPA released a new greenhouse gas inventory finding that the oil and gas industry was the largest source of methane in 2014, accounting for a third of total emissions of the potent greenhouse gas.

Environmentalists don't dispute that industry has reduced methane emissions. But they say that shows how much more progress can be made, relatively easily, in reducing greenhouse gases.