November 25, 2019

Mr. Andrew Wheeler
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Submitted at http://www.regulations.gov

Re: Comments on Proposed Rule: Oil and Natural Gas Sector: Emission Standards for New, Reconstructed, and Modified Sources Review
Docket No. EPA-HQ-OAR-2017-0757-0002

Dear Administrator Wheeler:

I am writing on behalf of Friends Fiduciary Corporation to comment on the U.S. Environmental Protection Agency’s (EPA’s) proposed rule on reconsideration amendments for Standards for New, Reconstructed and Modified Sources in the Oil and Natural Gas Sector, also known as the New Source Performance Standards (NSPS).

Friends Fiduciary is a long-term investor representing Quaker religious communities, schools, and organizations across the country. As investors with holdings in the oil and gas sector, we are deeply concerned by the proposed rollbacks of existing NSPS regulations. We have directly engaged with gas companies we own, negotiating reduction goals for methane emissions, and the proposed rules would undercut that work.

Methane emissions threaten natural gas’ reputation as a less environmentally impactful fuel source that will provide a bridge in the transition to renewable energy—thus potentially negatively impacting our investments. In the short term, methane is 86 times more potent than CO2. Climate change poses an existential risk to our, and all investors’, portfolios. Federal regulations are particularly needed in the oil and gas sector in order to mitigate its worst effects. The EPA has estimated that the rollback of NSPS will lead to 340,000 tons of methane released into the atmosphere (and independent estimates put that number at 5 million).¹ These emissions would pose reputational risk to companies, threaten their social license to operate, and could

potentially diminish U.S. natural gas’ attractiveness in foreign markets, as more countries enact limits on emissions.

Companies such as Equinor, BP, Exxon Mobil, and Shell recognize the benefit of the existing legislation, and have committed to voluntarily comply with NSPS regardless of regulation. However, these companies are leaders—many U.S. operators are not proactively monitoring and reducing their methane emissions. Federal NSPS regulations would level the playing field, and ensure that leading operators are not punished in the short term for investing in reduction programs. On the contrary, in the long term a variety of methane reduction and monitoring techniques, including replacement of high-bleed pneumatic devices with low-bleed devices, and leak detection and repair (LDAR) systems have been shown to be cost neutral.

As long-term, faith-based investors, we strongly urge the EPA not to adopt the proposed rule, given the dramatic projected increase in harmful, highly potent methane emissions it would cause, which would exacerbate our current climate crisis as well as negatively impact the natural gas industry’s bottom line.

Sincerely,

Jeffery W. Perkins
Executive Director