



# Review of the Obama Administration Methane Strategy

Presentation for the Western Interstate Energy Board

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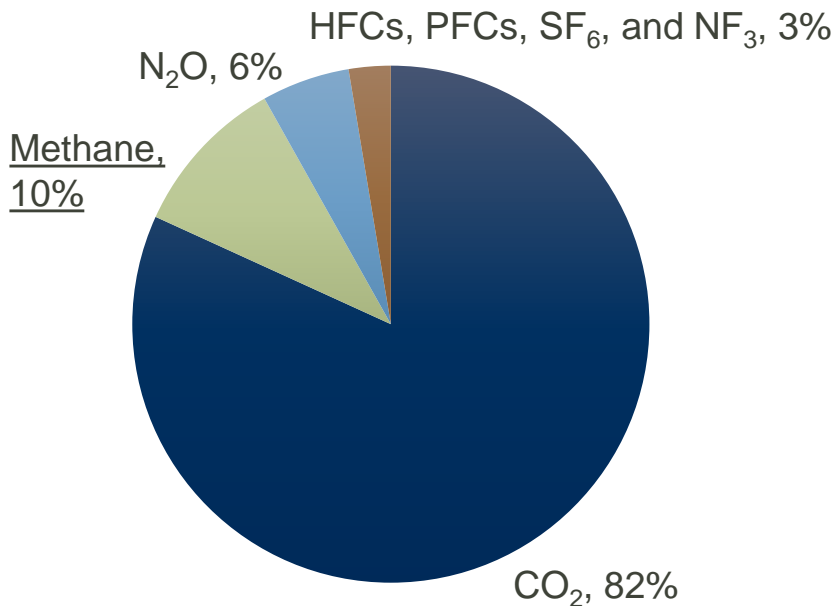
# Administration Methane Strategy

- The Obama Administration announced a Methane Strategy as part of the Climate Action Plan on March 28, 2014
- The Methane Strategy targets reductions from four sectors:
  - Landfills
  - Coal mines
  - Agriculture
  - Oil and gas
- The Administration provided an update to the strategy on January 14, 2015 describing specific actions for O&G
- Goal is 40 to 45% reduction in methane emissions from the U.S. O&G sector from 2012 levels by 2025
- Strategy is interagency and multi-sector with both regulatory and voluntary components



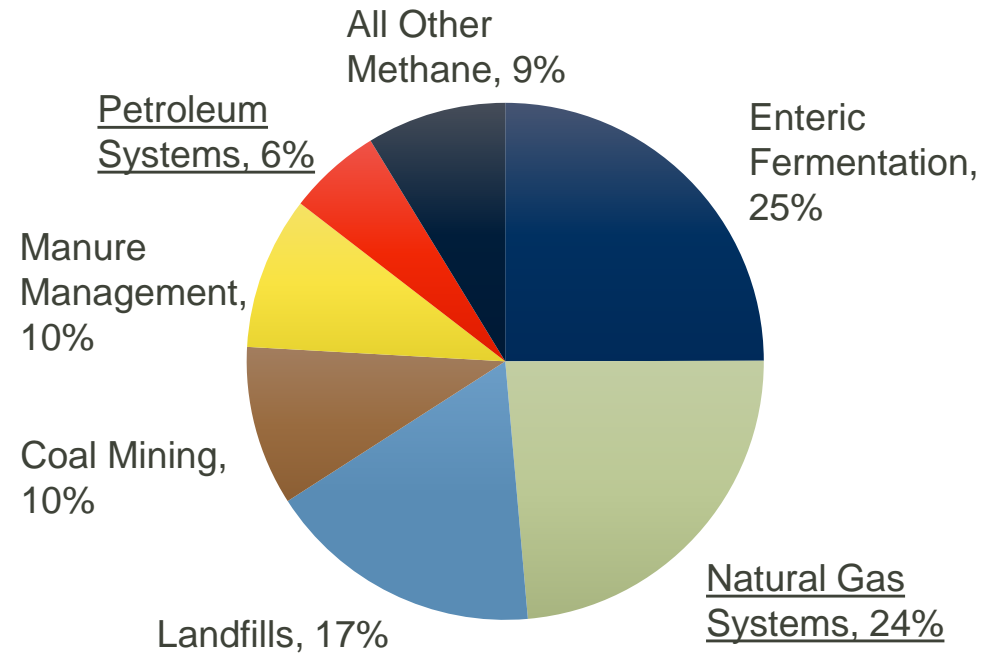
# U.S. GHG and Methane Emissions

## 2012 U.S. GHG Emissions by Gas



Total GHG Emissions  
6,623.4 million metric tons CO<sub>2</sub>e

## 2012 U.S. Methane Emissions by Sector

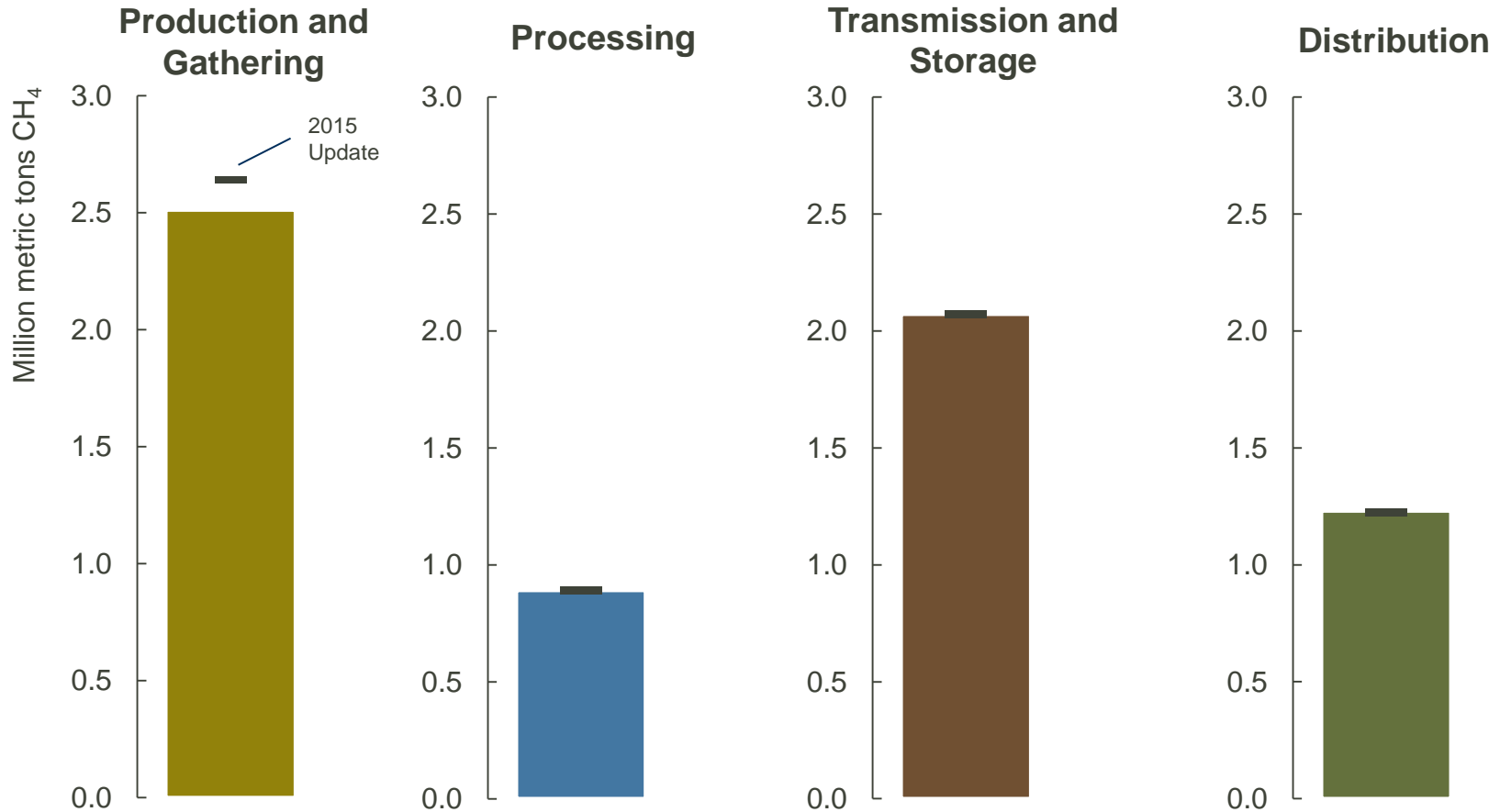


Total Methane Emissions  
666.2 million metric tons CO<sub>2</sub>e

# Natural Gas System Emission Sources by Segment

2014 EPA GHG Inventory Implied 2012 Methane Emissions Rate (CH<sub>4</sub>/NG Produced): 1.18%

2015 EPA GHG Inventory Implied 2012 Methane Emissions Rate (CH<sub>4</sub>/NG Produced): 1.20%

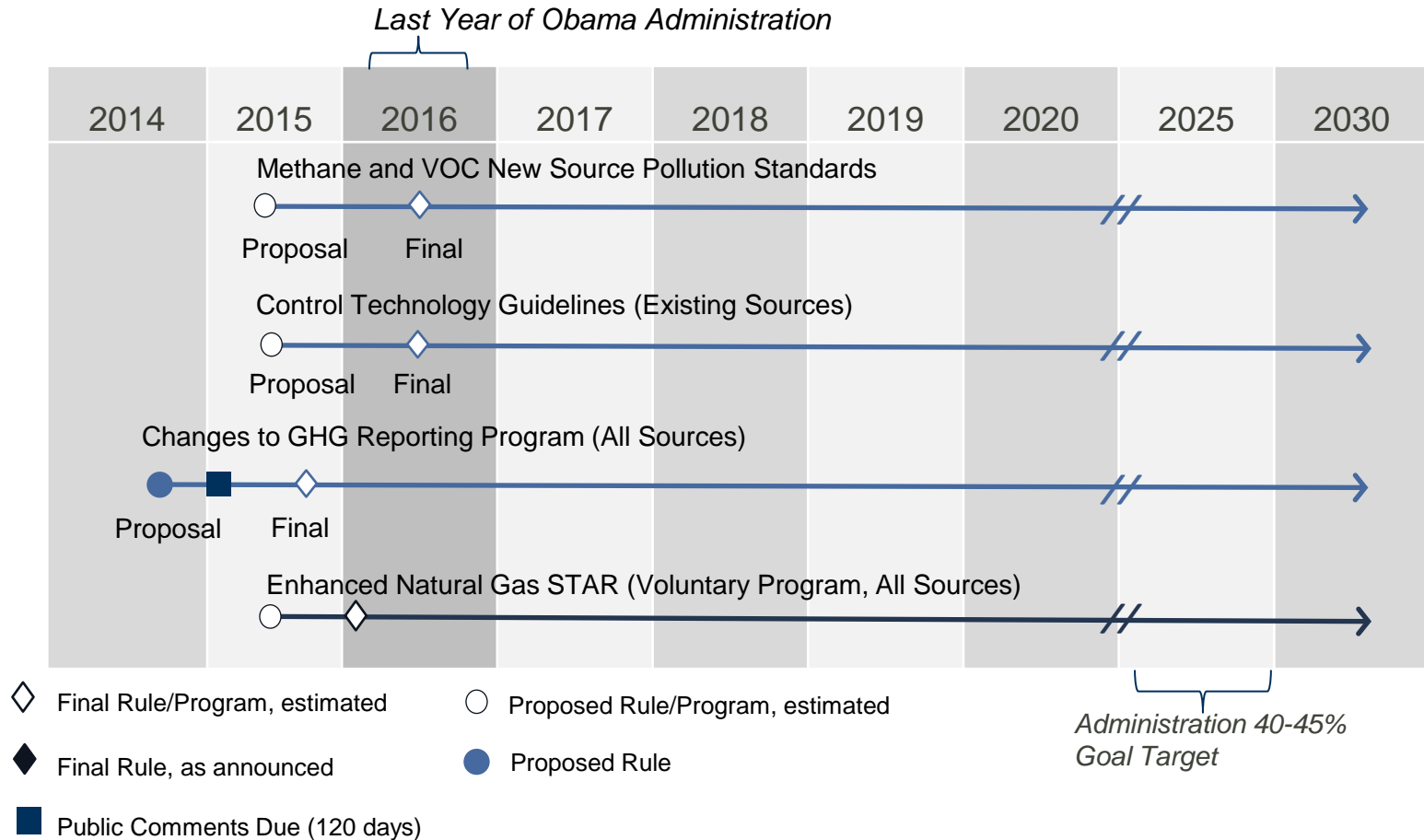


Source: MJB&A analysis, EPA 2014 GHG Inventory, EIA Total U.S. Gross Natural Gas Withdrawals

# Administration Oil & Gas Methane Strategy

Agency	Rule/Program	Action	Likely Affected Segment (s)	Timeline
EPA	111(b) regulations for methane and VOC emissions	Regulatory (New Sources)	Production & Gathering, Processing, Transmission & Storage	Propose Summer 2015 Final Summer 2016
	Control Technology Guidelines	Regulatory (Existing Sources)	Production	Propose Summer 2015 Final 2016
	GHG Reporting Program	Regulatory (All Sources)	All Segments	Proposed December 9, 2014 Final 2015
	Enhanced Natural Gas STAR	Voluntary (All Sources)	All Segments	Stakeholder Outreach Summer 2015 Program Launch Fall 2015 Implementation January 2016
DOI (BLM)	Onshore Order 9	Regulatory	Production & Gathering	Propose late spring 2015
DOT	PHMSA Monitoring	Regulatory	Transmission	2015
DOE	Methane Roundtables	Pre-Regulatory	All segments	Spring 2014
	Natural Gas Modernization Initiative	Information Sharing	Transmission & Distribution	FOA to be issued with 2015 Appropriations

# Timeline for EPA's Methane Strategy



# Potential Sources of NSPS Regulatory Focus

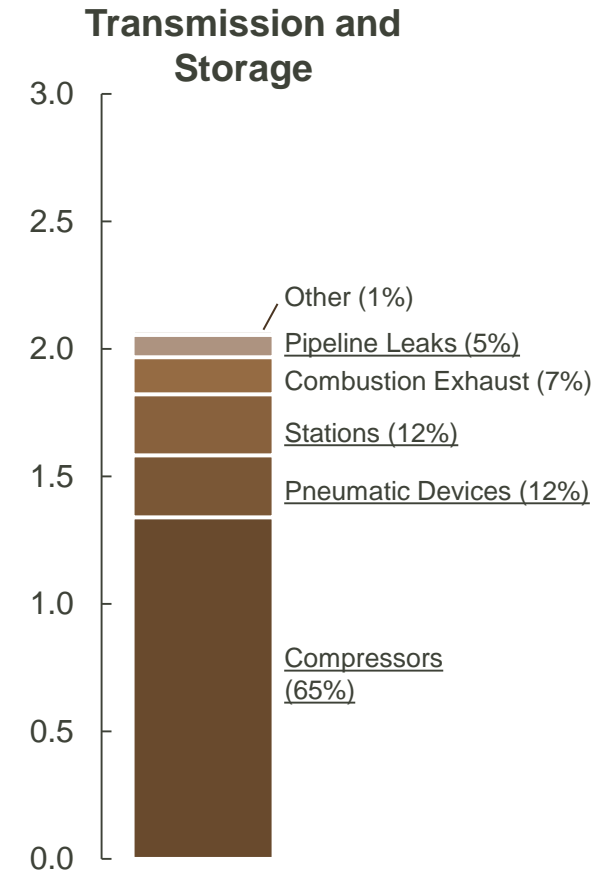
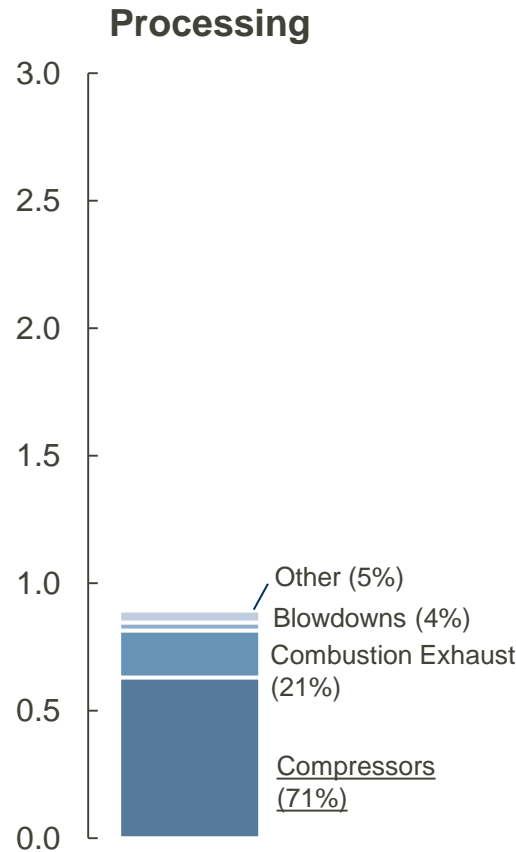
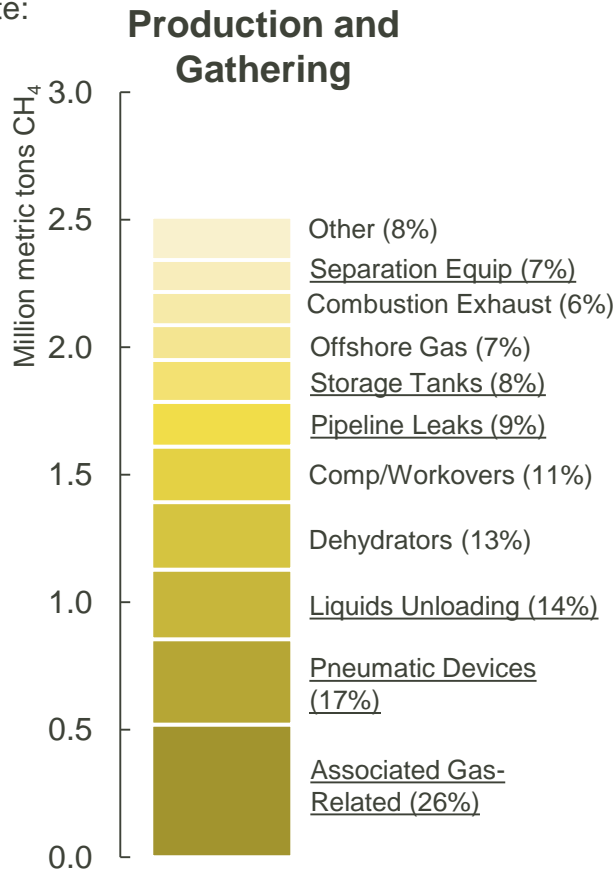
2014 EPA GHG Inventory Implied 2012 Methane Emissions Rate (CH<sub>4</sub>/NG Produced): 0.97%  
(1.2% with Distribution)

Methane Emissions Rate:

0.4%

0.2%

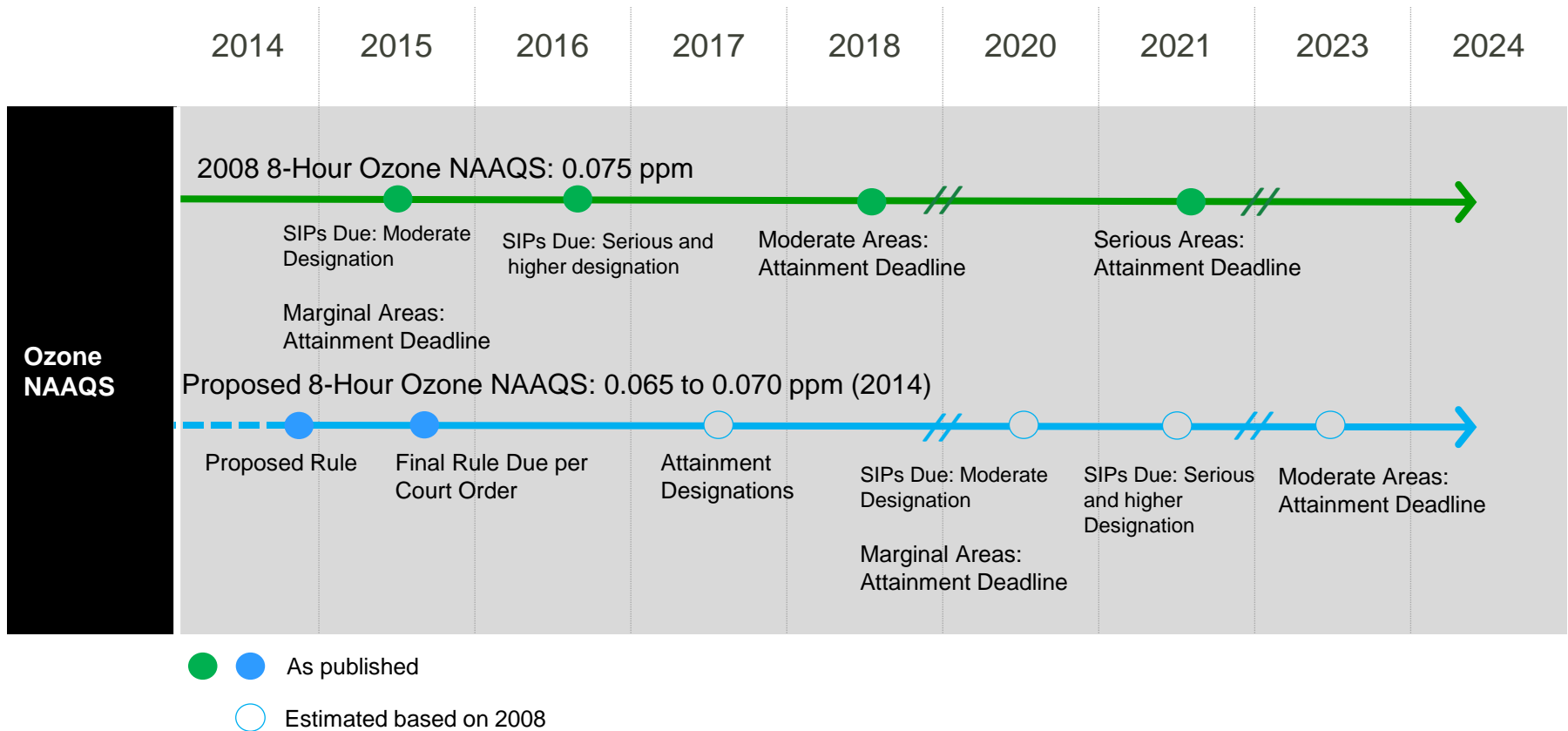
0.4%



Source: MJB&A analysis, EPA 2014 GHG Inventory, EIA Total U.S. Gross Natural Gas Withdrawals

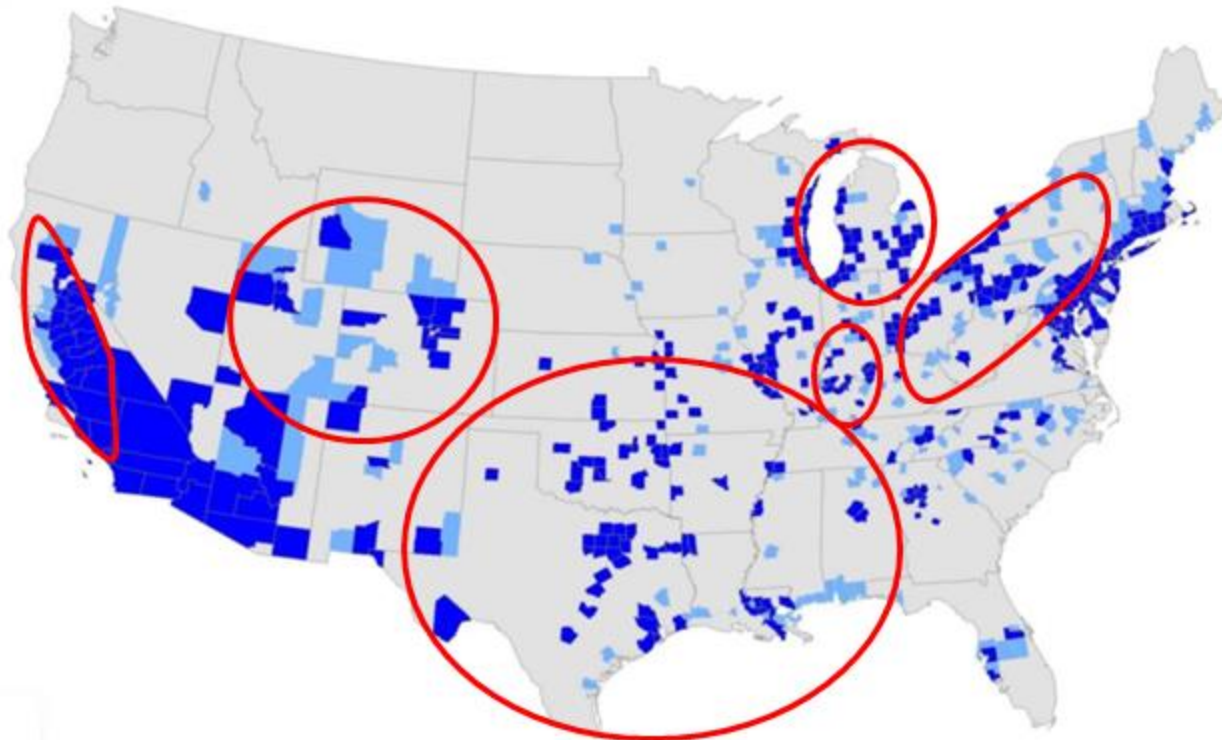
Underlined sources in EPA technical white papers




# Ozone NAAQS Schedule





# Proposed 2014 Ozone NAAQS Nonattainment



-  Approximate areas of oil and gas production in ozone nonattainment
  -  358 counties would violate 70 ppb
  -  200 additional counties would violate 65 ppb for a total of 558
- Based on 2011-2013 monitoring data

# Enhanced Natural Gas STAR

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- Draft program framework in April / May
- Stakeholder outreach and comments period over the summer
- Updated proposal in August
- Program launch in Fall 2015
- Implementation January 2016

# Expected EPA 2015 O&G Milestones

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- **Proposed regulation of VOCs (Summer 2015)**
  - Performance standards for new and modified sources
  - Proposed CTGs for existing VOC sources in ozone nonattainment areas
- **Proposed regulation of methane from new and modified sources (Summer 2015)**
- **Launch updated Natural Gas STAR program (Fall 2015)**
- **Finalize Ozone Standard (October 2015)**