State Progress on Methane and Climate: High-Impact Actions

Pennsylvania Environmental Law Forum
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Areas of Current PA Focus

(1) Comprehensive Methane Regulation
(2) Carbon Limits; and
(3) The Transportation Climate Initiative

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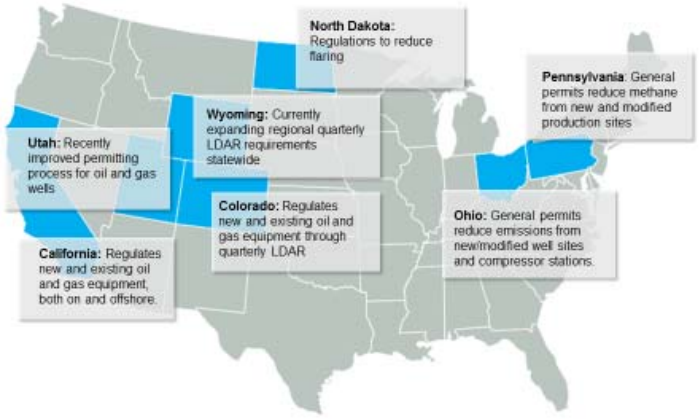
Reducing Methane from Oil and Gas (Short-term and front-end climate impact)

Federal Rollbacks of Oil & Gas Emissions Standards

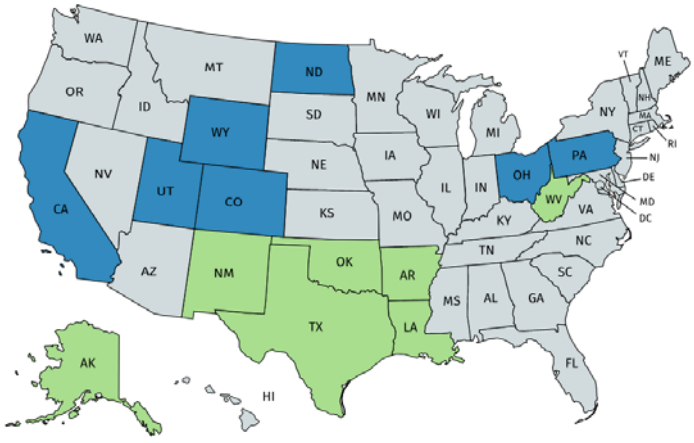
- EPA New Source Performance Standards
  - EPA has proposed to significantly weaken leak detection and repair requirements
  - Expected announcement of removal of methane regulation
- Bureau of Land Management Waste Prevention Rule
  - BLM has finalized rescission of all requirements that would reduce waste/emissions
- EPA Existing Source Standards?
  - EPA has withdrawn ICR that was first step towards federal existing source standards

States Working to Reduce Emissions



→ But there are notable differences in the stringency and scope of state standards

Several Significant Oil and Gas Producing States Lack Meaningful Standards



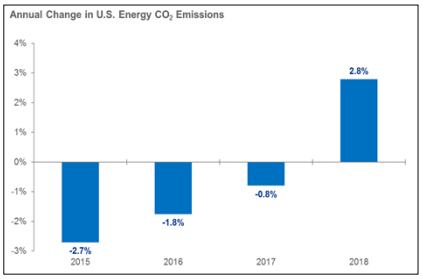
Oil & Gas Takeaways

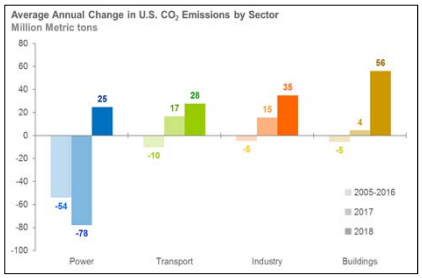
- Room for more new and stronger leadership at the state level.
  - For example, next week at the Air Quality Technical Advisory Committee (AQTAC) meeting, Governor Wolf and the DEP are moving forward to regulate VOCs and methane from existing natural gas sources.
- Ultimately, uniform federal standards for new *and existing* sources are needed to drive essential reductions in methane and other pollution

State leadership on reducing carbon pollution from the power sector

The problem: CO_2 from the power sector is rising

After three years of decline, US carbon dioxide (CO_2) emissions rose sharply last year. Based on EIA's latest Monthly Energy Review, energy CO_2 emissions increased by close to 3% in 2018. This marks the second largest annual gain in over a decade — surpassed only by 2010 when the economy bounced back from the Great Recession. While a record number of coal-fired power plants were retired last year, natural gas not only beat out renewables to replace most of this lost generation but also fed most of the growth in electricity demand. As a result, power sector emissions overall rose by 1.4%.





Source: Rhodium Group Preliminary US Emissions Estimates for 2018 (Jan 2019), updated using EIA Monthly Energy Review March 2019

The Solution: States are stepping up to the plate to tackle power sector emissions

- States have been advancing ambitious power sector policies for decades:
  - California, Oregon, Washington, New York, Hawaii
  - Multi-state efforts like the Regional Greenhouse Gas Initiative (RGGI), a carbon cap-and-trade program covering fossil fuel-fired electric generating units in nine northeast and mid-Atlantic states– New York, Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, Delaware, Maryland.
- Many more states are committing to address carbon from the power sector:
  - Virginia, New Jersey, New Mexico, North Carolina, Illinois, Minnesota, Michigan
- Without action to limit power-sector emissions, Pennsylvania is at risk of falling behind every NE state from Maine to Virginia – both economic and environmental risk.

Virginia's proposed carbon standards – estimated EOY 2019

- May 16, 2017, Governor McAuliffe issued an EO directing the state DEQ to develop a proposed regulation to abate, control, or limit carbon dioxide emissions from electric-power facilities that:
  - Includes provisions to ensure that Virginia's regulation is trading-ready to allow for the use of market-based mechanisms and the trading of CO_2 allowances through a multi-state trading program; and
  - Provides a corresponding level of stringency to limits on CO_2 emissions imposed in other states with such limits
- Virginia's State Air Pollution Control Board had existing legal authority to regulate CO_2 pollution from the power sector

Even more state are stepping up

Pennsylvania – January 2019 Executive Order to reduce statewide greenhouse gas emissions including the power sector.

New Mexico – January 2019 Executive Order to reduce statewide greenhouse gas emissions economy wide, including the power sector and mobile sources.

North Carolina – October 2018 Executive Order commits to statewide greenhouse gas emissions to 40% below 2005 levels by 2025, including by pursuing power sector reductions and encouraging the adoption of zero-emission vehicles in North Carolina.

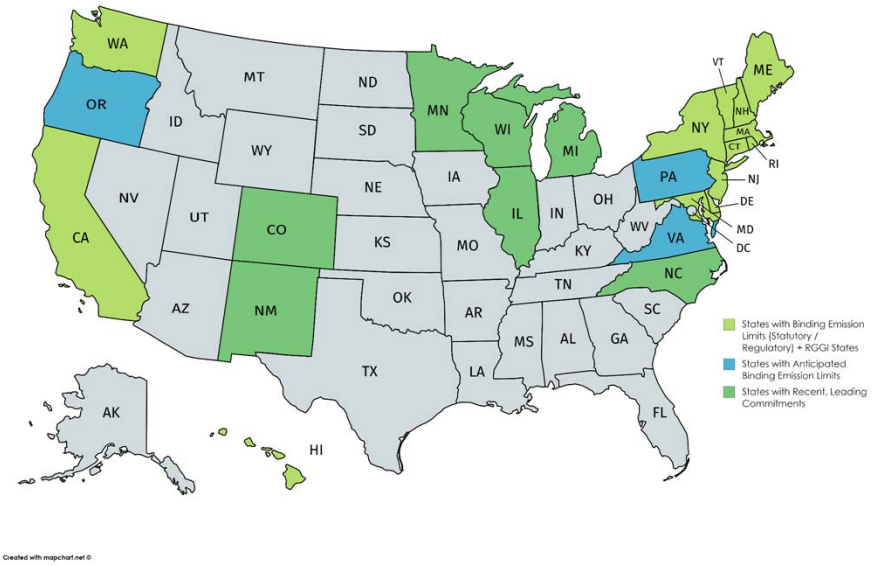
Michigan – February 2019 Executive Directive commits the State to reduce greenhouse gas emission by at least 26-28 percent below 2005 levels by 2025.

Illinois –January 2019 Executive Order commits Illinois to reduce greenhouse gasses economy-wide with an added goal of 100 percent clean and renewable energy.

US Climate Alliance – California, Colorado, Connecticut, Delaware Hawaii Illinois, Maryland, Massachusetts, Michigan, Minnesota, New Jersey, New Mexico, New York, North Carolina, Oregon, Puerto Rico, Rhode Island, Vermont, Virginia, Washington, Wisconsin

US Climate Alliance

"The U.S. Climate Alliance now represents 40 percent of the U.S. population and a $9 trillion economy, greater than the third largest country in the world, and U.S. Climate Alliance states are on track to meet their share of the Paris Agreement emissions target by 2025."



Thank You!

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