Message

From: Odendahl, Steve [Odendahl.Steve@epa.gov]
Sent: 8/1/2018 10:34:54 PM
To: Beeler, Cindy [Beeler.Cindy@epa.gov]
Subject: RE: Ewire: EPA gears up for attack on Obama-era methane rules - Inside EPA

Hi Cindy – I've got to run, will explain tomorrow.

Steve Odendahl ● Senior Assistant Regional Counsel ● US EPA Region 8 (Mountains and Plains) ● (303) 312-6219

From: Beeler, Cindy
Sent: Wednesday, August 1, 2018 4:02 PM
To: Odendahl, Steve <Odendahl.Steve@epa.gov>
Subject: RE: Ewire: EPA gears up for attack on Obama-era methane rules - Inside EPA

Steve – I had a question for you in red below –

Ex. 5 Attorney Client (AC)

Cindy Beeler
US EPA Region 8
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From: Lawrence, Rob
Sent: Wednesday, August 1, 2018 2:45 PM
To: Beeler, Cindy <Beeler.Cindy@epa.gov>; Mia, Marcia <Mia.Marcia@epa.gov>
Subject: FW: Ewire: EPA gears up for attack on Obama-era methane rules - Inside EPA

From: Casso, Ruben
Sent: Wednesday, August 01, 2018 3:35 PM
To: Lawrence, Rob <Lawrence.Rob@epa.gov>
Subject: Ewire: EPA gears up for attack on Obama-era methane rules - Inside EPA

Ewire: EPA gears up for attack on Obama-era methane rules

August 01, 2018

As EPA is putting the finishing touches on its proposal to aggressively roll back Obama-era vehicle greenhouse gas standards, the agency is also crafting a plan that would scrap Obama-era methane standards for the oil and gas sector, according to a news report.

The forthcoming broader methane plan will come after a soon-to-be released rulemaking that includes more "technical" changes to the 2016 methane new source performance standards (NSPS) for the sector, according to a report in *Axios*.

Inside EPA noted that the latter proposal began White House interagency review in late April, meaning it could be set to be released shortly.

However, the *Axios* report suggests the broader proposal would include "a preference for wholly rolling back direct rules on methane and instead relying on" a 2012 NSPS that targeted only volatile organic compounds (VOC) but achieved methane cuts as a co-benefit.

The article also quotes a Trump administration official touting increased voluntary methane cuts from the sector, "indicating a direct regulation may not be necessary."

As *Inside EPA* has long reported, the Trump EPA has long been considering regulating methane as part of a "bundle" with VOCs -- an approach that would likely foreclose any future standards of the potent greenhouse gas methane for existing equipment in the sector.

That is because Clean Air Act section 111 -- under which the NSPS is developed -- requires the agency to craft existing source rules after it develops new source standards for a particular source category.

However, that section bars development of existing source rules if the agency is regulating one of six criteria pollutants. VOCs are an ozone precursor, while methane is not a criteria pollutant. That means EPA is prohibited from crafting an existing source standard expressed as a VOC limit, while it would be required to do so if the agency continues to directly regulate methane.

As it stands now, more than a dozen Democratic states and cities are suing EPA to force issuance of standards to limit methane from existing oil and gas operations, claiming the agency has a Clean Air Act mandate to issue such rules after finalizing methane standards for new oil and gas sites but is "unreasonably" delaying such a policy.