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VIA ELECTRONIC FILING

The Honorable Patrick McDonnell, Chairman
Environmental Quality Board
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RE: Control of VOC Emissions from Oil and Natural Gas Sources

On behalf of the Pennsylvania Chamber of Business and Industry (PA Chamber), the largest, broad-based business advocacy organization in the Commonwealth, thank you for the opportunity to comment on the Environmental Quality Board's proposed rulemaking, Control of VOC Emissions from Oil and Natural Gas Sources (Existing Source Rule), as published May 23, 2020 in the PA Bulletin (50 Pa.B. 2633).

For decades, the PA Chamber has brought the perspective and counsel of its broad membership to participate in constructive dialogue with regulators regarding mutual goals of economic development and environmental stewardship. The comments below discuss the PA Chamber's policies (which inform our organization's advocacy) on environmental regulation and air quality, the improvements in air quality achieved in part through the increased production and use of natural gas, and several points for DEP's consideration with respect to the proposed Existing Source Rule.

PA Chamber Statement of Policy

The Pennsylvania Chamber of Business and Industry believes that environmental excellence and economic growth are mutually-compatible objectives, and that environmental and natural resources laws and programs should be framed and implemented to concurrently meet these twin objectives. The PA Chamber advocates for environmental laws, regulations and policies that:

- are based on sound science and a careful assessment of environmental objectives, risks, alternatives, costs, and economic and other impacts;
- set environmental protection goals, while allowing and encouraging flexibility and creativity in their achievement;
- allow market-based approaches to seek attainment of environmental goals in the most cost-effective manner;
- measure success based on environmental health and quality metrics rather than fines and penalties;
- assess compliance based on clear, predictable and defined criteria established through stakeholder processes and with sound science;
- do not impose costs which are unjustified compared to actual benefits achieved;
- do not exceed federal requirements unless there is a clear, broadly accepted, scientifically-based need considering conditions particular to Pennsylvania;
- develop a private-public relationship which promotes working together to meet proper compliance; and
- ensure timely regulatory approvals and authorizations.

As part of a sustainable economic and environmental policy, the PA Chamber supports natural resources management laws and programs that encourage the scientifically-sound conservation, stewardship and development of Pennsylvania's natural resources (including water, timber, minerals, oil and gas) for the benefit of all Pennsylvanians. Additionally, the PA Chamber supports the voluntary pollution prevention and sustainability measures, and environmental management systems utilized by companies to efficiently and effectively meet environmental regulatory requirements and utilize resources to meet their financial and business objectives.

With respect to air quality, PA Chamber advocates for cost effective air laws, regulations and policies based on sound principles that are reasonable and technologically and economically feasible to protect and enhance public health and the environment without placing in-state businesses at a competitive disadvantage. With regard to greenhouse gas emissions, the PA Chamber supports efforts in Pennsylvania which balance societal environmental, energy, and economic objectives, fit rationally within any finally adopted and applicable national or international strategy, and capitalize on the availability of Pennsylvania's diverse natural resources to facilitate economic development in the Commonwealth.

Air Quality Improvements Correlated to the Increased Production and Use of Natural Gas in Pennsylvania

In terms of achieved and forecasted emissions reductions, the state's success in meeting and surpassing federal air quality obligations cannot be emphasized enough. According to DEP and EPA air quality data, the state has achieved the following significant reductions in air emissions statewide since 1996:

Nitrogen oxides	-65%
Volatile organic compounds	-36%
Particulate matter (2.5 ug/m3)	-27%
Particulate matter (10 ug/m3)	-45%
SO2	-90%
Carbon monoxide	-69%
Carbon dioxide	-21%

With specific regard to Pennsylvania, since 2005 the state has reduced its greenhouse gas emissions in total tons more than that of all but one other state, according to the most recently available federal Energy Information Administration data.¹ According to EPA data, Pennsylvania has reduced such emissions in total by 22 percent since 2005, with an 11.5 percent reduction from the transportation sector and a 38 percent reduction in the power generation sector.²

The Existing Source Rule Should be Flexible, Cost-Effective and Go No Further than Federal Requirements, and DEP Should Consider A Second Round of Comment Should Federal Requirements Change Significantly

As the proposed Existing Source Rule notes throughout its Background and Purpose section, the state is in near universal compliance with the 1997, 2008 and 2015 ozone standards. To the extent any counties or regions are in non-attainment, it is apparent these are counties and regions closest to densely population metropolitan areas and the I-95 corridor. While DEP must, per the Clean Air Act, impose reasonably

¹ Energy-Related Carbon Dioxide Emissions by State, 2005-2016. U.S. Energy Information Administration. <https://www.eia.gov/environment/emissions/state/analysis/>

² CO2 Emissions from Fossil Fuel Combustion by State, 1990-2017. U.S. Environmental Protection Agency. https://www.epa.gov/sites/production/files/2019-11/documents/co2ffc_2017.pdf

achievable control technology standards on existing sources, as a matter of policy the PA Chamber does not believe the monitoring data supports an Existing Source Rule that goes beyond the requirements established in EPA's OOOOa regulations and Control Technique Guidelines. Much of the proposed Existing Source Rule describes both the reasons why the state may move forward should EPA withdraw the existing CTG, as well as why the proposed rules exceed CTG in terms of stringency

The PA Chamber requests EQB and DEP consider and respond individually to the following points:

- 1) The language of the Background and Purpose section of the Existing Source Rule should be modified to account for the fact that earlier this year, the EPA amended its Regulatory Agenda to announce it no longer intends to withdraw the CTG.
- 2) The Existing Source Rule should impose requirements no more stringent than the CTG and to the extent DEP believes the final Existing Source Rule should impose more stringent requirements than those contained in the CTG, DEP should outline in more detail a compelling rationale using Pennsylvania-specific data regarding VOCs to develop a dollar-per-ton benefit; DEP must in this rule recognize that the production and processing activities in the dry gas region of the Marcellus shale have much lower concentrations of VOCs than the nationwide data informing the basis of the existing CTG. The draft Existing Source Rule, except for storage vessels, does not establish applicability thresholds – a level under which control requirements would not apply. This would be a significant departure from any other RACT rule, which have historically provided a de minimis level of 2.7 tons per year of VOCs. RACT rules must be cost-effective; therefore there must be some threshold of emissions below which controls are not cost-effective. While there may be a co-benefit of methane reduction as a result of this rule, the guiding regulatory construct is the implementation of federal ozone requirements, not methane.
- 3) Should EPA amend to a significant degree the CTG or existing OOOOa requirements prior to the final promulgation of this rule, the EQB should take a second round of comment from the public and stakeholders regarding how and to what extent the state can regulate VOCs from this class of sources.
- 4) The proposed Existing Source Rule includes several important performance-based regulatory provisions, including a lessening in the frequency of inspections and reporting should fugitive emissions be contained below certain thresholds. These provisions should be preserved in the final rule.

The PA Chamber thanks the EQB for its consideration of these comments, and shares the goal of regulators to develop a cost-effective rule that accounts for technological advances in the industry and that provides a reasonable compliance schedule for affected sources. The PA Chamber also supports the detailed, technical comments filed by the Marcellus Shale Coalition.

Sincerely,



Kevin Sunday
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