



**November 21, 2019**

U.S. Environmental Protection Agency  
EPA Docket, EPA Docket Center (EPA/DC)  
Attention Docket ID No. OAR-2017-0757

*SUBMITTED VIA THE FEDERAL E-RULEMAKING PORTAL*

**Re: Proposed Rule: Oil and Natural Gas Sector: Emission Standards for New, Reconstructed, and Modified Source Review**

Equinor US Operations LLC (“Equinor US” or “we”) appreciates the opportunity to submit comments to the U.S. Environmental Protection Agency (“EPA”) on its proposed rule titled “Oil and Natural Gas Sector: Emission Standards for New, Reconstructed and Modified Source Review,” 84 Fed. Reg. 50,244 (Sept. 24, 2019) (“Proposed Rule”).

As explained below, Equinor US and other companies operating in the United States are engaged in comprehensive efforts to reduce methane leakage throughout their operations and are promoting innovation in methane mitigation technologies and practices across the industry. However, even though these initiatives are generating significant results, it is important to have a federal regulatory “floor” that provides a consistent, flexible, predictable, and comprehensive policy framework for the sector.

For this reason, and as discussed in greater detail below, Equinor US opposes the Proposed Rule and urges the EPA to promulgate and enforce legally valid and cost-effective federal methane-specific performance standards for both new and existing facilities in the oil and gas sector. Such standards are a necessary element of a comprehensive, economy-wide U.S. policy program to address global climate change.

**I. About Equinor**

The Equinor group has been present in the United States for more than 30 years. Since 2004, the group has invested more than \$50 billion in U.S. projects. Today, with over 1,000 U.S. employees and 900 domestic suppliers, Equinor US is one of the largest producers in

the Gulf of Mexico, and our onshore oil and gas business comprises assets in the Appalachian, Austin Chalk, and Bakken Basins. These assets include facilities subject to the Proposed Rule.

All of the natural gas produced by Equinor US is sold domestically while most of our crude is sold to refineries in North America. With a combined production of around 400,000 barrels of oil and one billion cubic feet of natural gas per day, we sell approximately \$5 billion worth of domestic oil and gas in the U.S. market each year through our midstream network. The Equinor group also continues to significantly grow its renewable energy business. In the United States, we have committed nearly \$180 million to secure two offshore wind leases in New York and Massachusetts, and are actively looking for further opportunities in new energy solutions.

## II. Equinor’s Climate Roadmap

Climate change is one of the biggest challenges of our time and a clear call for action. Equinor acknowledges the findings of the Intergovernmental Panel on Climate Change and the general scientific consensus that human activities contribute to global warming—with detrimental effects on nature, people, and society at large. Equinor also recognizes that the world’s energy systems must be transformed in a profound way to drive decarbonization, while at the same time ensuring universal access to affordable and clean energy and realizing sustainable development goals.

Equinor’s climate strategy focuses on three main areas. The Equinor group is building a high value and low carbon oil and gas portfolio, developing a material industrial position in renewable energy and low carbon solutions, and embedding climate into our strategy, decision-making and incentives. By exploring new low carbon opportunities, Equinor aims to be at the forefront of developments in the energy market and to devote up to 25% of research spending to new energy solutions and energy efficiency by 2020. Equinor also aims to achieve carbon dioxide (“CO<sub>2</sub>”) emission reductions of three million tons per year from its oil and gas production and to eliminate routine flaring by 2030.<sup>1</sup> Equinor US will play a significant role in meeting these corporate goals.

## III. Methane Emissions and the Natural Gas Value Chain

Increased production of natural gas in the United States is contributing to reductions in greenhouse gas (“GHG”) emissions. Since 2005, U.S. power sector CO<sub>2</sub> emissions have

<sup>1</sup> Equinor, Climate Roadmap (2018), available at <https://www.equinor.com/content/dam/statoil/image/how-and-why/climate/climate-roadmap-2018-digital.pdf>.

declined by 28%. The U.S. Energy Information Administration has attributed approximately two-thirds of this reduction to the shift from coal- to natural gas-fired electricity generation.<sup>2</sup> Natural gas-fired generation is also playing a crucial enabling role for increased integration of renewable generation. Natural gas, with its ability to serve multiple roles in power demand, is helping balance growing generation from renewable resources. Additionally, exports of natural gas produced in the United States are contributing to the displacement of more carbon-intensive fuels for electricity generation and industrial operations in other countries.<sup>3</sup>

However, in order for natural gas produced in the United States to continue to provide these climate change mitigation benefits, it is crucial to continue—and accelerate—efforts to limit emissions of methane throughout the gas value chain.

#### IV. Equinor’s Methane Initiatives

In 2018, the methane leakage rate from Equinor US operations (the ratio of emissions to marketed gas) was 0.03%. In addition, Equinor’s corporate methane intensity 0.03% in 2018. We aim to reduce our methane emissions even more, including through more frequent and comprehensive leak detection and repair activities. Equinor also has set a group-wide upstream flaring intensity target of 0.2% by 2020 for operated assets, and, as noted above, has committed to stop routine flaring by no later than 2030, in line with the World Bank’s Zero Flaring by 2030 initiative.

Equinor is participating in various multi-stakeholder initiatives to improve methane data collection, share best practices, carry out field studies, and select and deploy cost-effective methane management technologies. We believe that such participation in these initiatives is helping to reduce the cost of methane management for all companies.

Below is an illustrative list of multi-stakeholder initiatives in which Equinor is participating:

- **ONE Future.** Equinor US is a member of Our Nation’s Energy Future (“ONE Future”), a coalition of companies committed to continuous improvement in the

<sup>2</sup> U.S. Energy Information Administration, U.S. Energy-Related Carbon Dioxide Emissions, 2017, at 12 (Sept. 2018), available at [https://www.eia.gov/environment/emissions/carbon/archive/2017/pdf/2017\\_co2analysis.pdf](https://www.eia.gov/environment/emissions/carbon/archive/2017/pdf/2017_co2analysis.pdf) (finding that CO<sub>2</sub> emissions from electric power generation declined by 3,855 MMmt (28%) between 2005 and 2017, and attributing 2,360 MMmt of that reduction to the shift from coal- and oil-fired generation to natural gas-fired generation).

<sup>3</sup> See National Energy Technology Laboratory, Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas from the United States: 2019 Update, DOE/NETL-2019/2041 (Sept. 12, 2019), available at <https://www.energy.gov/sites/prod/files/2019/09/f66/2019%20NETL%20LCA-GHG%20Report.pdf>.

management of methane emissions across the natural gas value chain.<sup>4</sup> The ONE Future member companies have committed to reducing the average methane leakage rate across all of their participating U.S. facilities to below 1% by 2025. ONE Future is already well ahead of its goal. A 2018 report by the U.S. Department of Energy’s National Energy Technology Laboratory concluded that average methane leakage rate for ONE Future facilities was 0.67%.<sup>5</sup>

- ***The Environmental Partnership.*** Equinor US is also a member of The Environmental Partnership, an initiative of API. The Environmental Partnership comprises companies across the U.S. oil and natural gas industry that are committed to continuous improvement of the industry’s performance.<sup>6</sup> In the area of methane management, The Environmental Partnership is implementing programs focused on pneumatic controllers, manual liquids, and leak detection and repair.<sup>7</sup>
- ***Methane Detectors Challenge.*** The Methane Detectors Challenge seeks to catalyze the development and deployment of state-of-the-art methane monitoring technology.<sup>8</sup> Launched in 2014, it is a partnership between the Environmental Defense Fund, energy companies, U.S.-based technology developers, and other experts. As part of the Methane Detectors Challenge, Equinor US became the first energy producer to purchase and install a new solar-powered technology that continuously detects methane leaks, reduce emissions, and minimizes waste.<sup>9</sup>
- ***Climate & Clean Air Coalition Oil and Gas Methane Partnership (“OGMP”).*** Equinor was a founding member of the OGMP, which is a multi-stakeholder group that includes companies in the oil and gas sector.<sup>10</sup> Equinor and other member companies are committed to taking the following actions at their covered assets: (i) survey for nine “core” sources that account for much of the methane emissions in typical upstream and midstream operations; (ii) evaluate cost-effective technology options to address unmitigated sources; and (iii) and report progress on surveys,

<sup>4</sup> See ONE Future, <https://onefuture.us/> (last visited Nov. 21, 2019).

<sup>5</sup> U.S. Department of Energy, National Energy Technology Laboratory, Industry Partnerships and Their Role in Reducing Natural Gas Supply Chain Greenhouse Gas Emissions, DOE/NETL-2018/1884, at 1 (May 1, 2018).

<sup>6</sup> The Environmental Partnership, <https://theenvironmentalpartnership.org/> (last visited Nov. 21, 2019).

<sup>7</sup> The Environmental Partnership, Taking Action, <https://apitep02.wpengine.com/what-were-doing/taking-action/> (last visited Nov. 21, 2019).

<sup>8</sup> Environmental Defense Fund, Methane Detectors Challenge, <https://www.edf.org/methane-detectors-challenge> (last visited Nov. 21, 2019).

<sup>9</sup> Tom Murray, *Why this leading energy company sees opportunity in a low-carbon future*, Environmental Defense Fund (June 14, 2018), <https://www.edf.org/blog/2018/06/14/why-leading-energy-company-sees-opportunity-low-carbon-future>.

<sup>10</sup> Climate & Clean Air Coalition, The CCAC Oil & Gas Methane Partnership, <https://www.ccacoalition.org/en/activity/ccac-oil-gas-methane-partnership> (last visited Nov. 21, 2019).

project evaluations and project implementation in a transparent and credible manner.<sup>11</sup>

- **Oil and Gas Climate Initiative (“OGCI”).** Equinor is one of 13 energy companies participating in the OGCI, which is a voluntary CEO-led initiative taking practical actions on climate change.<sup>12</sup> Methane management is one of the three focal areas of the OGCI. OGCI member companies have committed to reduce, by 2025, the collective average methane leakage rate for their aggregated upstream gas and oil operations to below 0.25%, with the ambition to achieve 0.20%.<sup>13</sup> Member companies also have committed to work through the OGCI Climate Investments program to invest in companies that have developed innovative methane detection, measurements and mitigation technologies, aiming for deployment by member companies and the broader industry.<sup>14</sup>
  
- **The Methane Guiding Principles.** The Methane Guiding Principles focus on priority areas for action for methane management along the entire natural gas value chain.<sup>15</sup> The principles were developed collaboratively by a coalition of industry, international institutions, non-governmental organizations, and academics. As one of the original eight signatory companies, Equinor is committed to applying the principles and to encouraging other companies to apply them as well. The principles include: (i) continually reducing methane emissions; (ii) advancing strong performance across gas value chains; (iii) improving the accuracy of methane emissions data; (iv) advocating sound policy and regulations on methane emissions; and (v) increasing transparency.<sup>16</sup>

## V. The Need for Federal Methane Regulation

<sup>11</sup> Climate & Clean Air Coalition, Oil & Gas Methane Partnership (OGMP): Third-Year Report, at 5 (2018), available at <https://www.ccacoalition.org/en/file/5664/download?token=Gcxk9AG2>. For Equinor’s 2017 report, see *id.* at 24-25.

<sup>12</sup> Oil and Gas Climate Initiative, <https://oilandgasclimateinitiative.com/> (last visited Nov. 21, 2019).

<sup>13</sup> Oil and Gas Climate Initiative, Scaling Up Action: Aiming for Net Zero Emissions, at 28-30 (Sept. 2019), available at <https://oilandgasclimateinitiative.com/wp-content/uploads/2019/10/OGCI-Annual-Report-2019.pdf>.

<sup>14</sup> *Id.* at 19.

<sup>15</sup> Climate & Clean Air Coalition, Methane Guiding Principles, Reducing Methane Emissions Across the Natural Gas Value Chain: Guiding Principles (2017), available at <https://www.ccacoalition.org/en/resources/reducing-methane-emissions-across-natural-gas-value-chain-guiding-principles>.

<sup>16</sup> *Id.* at 2-4.

Though the voluntary efforts of Equinor US and other companies operating in the United States are generating significant results, it is important to have a federal regulatory “floor” that provides a consistent, flexible, predictable, and comprehensive policy framework.

For this reason, Equinor US urges the EPA to promulgate and enforce federal methane-specific performance standards for both new and existing facilities in the oil and gas sector. Such standards are a necessary element of a comprehensive, economy-wide U.S. policy program to address global climate change.

Such standards should be legally valid under the Clean Air Act and should reflect sound policy design. In particular, the standards should: create incentives for early action, drive performance improvements, provide for appropriate enforcement, be tailored to the particular characteristics of regulated facilities, and support compliance flexibility and innovation.

Equinor US welcomes the opportunity to provide information and other resources to support the EPA in the development of such standards. If you have any questions or need additional information, please contact **Seth Levey at [slev@equinor.com](mailto:slev@equinor.com)**.

Sincerely,

**Hans Jakob Hegge**

**President and US Country Manager**

**Equinor US Operations LLC**

cc: Anne Isdal, USEPA  
Peter Tsirigotis, USEPA  
David Cozzie, USEPA  
Steve Fruh, USEPA  
Karen Marsh, USEPA