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EPA Rule Risks Jobs, Increases Costs, Undercuts Energy Renaissance

AUGUST 18, 2015, WASHINGTON, DC – The <u>Partnership for A Better Energy Future</u> again expressed disappointment over the U.S. Environmental Protection Agency's (EPA) plan to regulate methane emissions from the oil and gas industry operations. The proposed regulations could have a chilling effect on America's energy renaissance, our economy, and the significant progress already achieved reducing methane emissions in the sector.

Since 2005, domestic oil production has nearly doubled and natural-gas production has risen by about 50%, according to the U.S. Energy Information Administration yet methane emissions from the sector have dropped roughly 15%, according to EPA data. Methane emissions from hydraulically-fractured natural gas wells are down 79% since 2005. All of the reductions are a direct result of industry innovation.

"Another day, and another job-killing rule rolls off of EPA's regulatory assembly line. The oil and natural gas revolution has driven unprecedented job growth, providing Americans with affordable energy, and significantly reducing emissions," said Christopher Guith, senior vice president for policy at the U.S. Chamber's Institute for 21st Century Energy. "Oil and gas innovations, along with the industry's broad focus on safe and responsible development has helped the U.S. cut CO2 emissions and still meet consumers' needs every day. Additional regulations on methane by EPA and other agencies are a solution in search of a problem, and only add to the difficult market conditions that are already hampering the sector."

The rule will also dramatically impact manufacturers who have expanded recently in the U.S. because of access to low cost energy and natural gas. Since March 2010, manufacturers have added almost 900,000 jobs.

"This proposed rule adds to a growing suite of regulations that threaten manufacturers' energy advantage by increasing costs and making it more difficult to access the resources needed to fuel our facilities," said Greg Bertelsen, director of energy and mineral resources at the National Association of Manufacturers. "Manufacturers need increased access to reliable and affordable energy to foster innovation, encourage new investments and remain competitive in today's global economy. This proposed regulation, coupled with the Administration's planned ozone rule and Clean Power Plan, will have the opposite effect. If manufacturers are going to continue leading the way in creating products and solutions to lower emissions and ensure a more sustainable future, we need a more balanced approach to regulations."

This action is part of the Obama Administration's larger climate action plan. In January 2015, President Obama announced that the oil and gas sector must reduce its methane emissions by 40-45% from 2012 levels by 2025. The Administration will strive to achieve this goal through actions from various federal agencies, including EPA, Interior's Bureau of Land Management and potentially the Department of Energy. EPA's regulations will have the widest reach.

The Partnership for a Better Energy Future (PBEF), a coalition of more than 170 organizations and trade associations, will continue to explore every possible remedy to make sure greenhouse gas (GHG) regulatory actions do not cost American jobs and hurt the U.S. economy.

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The Partnership for a Better Energy Future is a coalition of stakeholders representing nearly every segment of the U.S. economy, unified in our support for responsible energy regulations. The Partnership's fundamental mission is to ensure the continued availability of reliable and affordable energy for American families and businesses.