

## Appeals Court Will Hear Legal Challenge To Clean Power Plan

The Obama administration has aggressively used regulations to change the lives of millions of Americans. For the oil and gas industry, those changes will be massive if the courts uphold the federal government's attempts to take over regulation that is traditionally conducted by the states.

On Tuesday, nine judges at the U.S. Court of Appeals for the District of Columbia Circuit will hear arguments from 28 states, including Texas Attorney General Ken Paxton, that have sued the Environmental Protection Agency because of federal overreach.

States rarely sued the federal government before Obama instructed the heads of each agency to target fossil fuels. Texas has sued the federal government 32 times since Obama took office in 2009.

The cornerstone of EPA's regulatory machine is the Clean Power Plan, which will be heard by the Appeals Court.

The states believe the Clean Power Plan calls for federal regulation of the states' natural resources, which historically has been the duty of each state. The states also object to new regulations under the Clean Air Act, which aim to reduce air emission requirements to a level that cannot be attained currently.

Oklahoma Attorney General Scott Pruitt said that he sees that he sees the Clean Power Plan as a form of federal "coercion and commandeering" of energy policy. He said states should have sovereignty to make decisions for their own markets.

Another lawsuit recently developed when EPA issued its final rule on new emission standards for new, reconstructed, and modified oil and gas facilities. The regulation, which has become known as the methane rule, was originally filed by the state of North Dakota; Texas and other states quickly followed.

"The rule, for the first time, also establishes emission limitation on greenhouse gases, specifically methane, and creates new categories of oil and gas facilities," Paxton said. "Not only is this a gross demonstration of federal overreach, but the EPA has failed to consider the steep cost of this rule on the existing industry."

Even though the U.S. House has passed legislation to prevent implementation of the regulations, it is unlikely that Congress could override a presidential veto.

This legal challenge to the Clean Power Plan appears to be the final challenge to these federal regulations, which if implemented will have long-lasting impact on everyone.