

State, Federal Policymakers Challenge EPA Regulations

The massive release of new regulations on the nation's oil and gas producers has caught the attention of state and national elected officials, and they have stepped up their questioning of federal bureaucrats. The U.S. House Energy and Commerce Committee called Environmental Protection Agency Assistant Administrator Janet McCabe to testify on July 6 regarding the regulations under the Clean Power Plan.

Two Republican members of the committee from Texas, Joe Barton from Ennis and Pete Olson from Houston, challenged McCabe to explain the rationale EPA uses to pick energy winners and losers. Rep. Bill Johnson (R-Ohio) told McCabe that EPA is "draining the lifeblood out of our businesses" through its regulations, adding that, "I think it's absurd, I think it's irresponsible, I think honestly it's un-American. Your department doesn't have a concern for the very people who create jobs in this country."

While these comments and questions were indications of the displeasure toward the rash of new regulations issued by federal agencies recently by some members of Congress, Texas Railroad Commission Chairman David Porter told committee members that "EPA has circumvented both the authority delegated to it by Congress and the rights of state regulatory agencies to establish their own rules."

Porter said that the RRC, which has regulated the oil and gas industry for more than 100 years, "takes its role as a steward of state resources very seriously. That said, our rulemaking decisions are based on sound science and potential economic impacts to all Texans, mindful that it is from industry that these entrepreneurial ideas emerge.

"When businesses are forced to operate as bureaucracies, which EPA seems intent on achieving through its unwarranted and overreaching rules, innovation is stifled, leaving both consumers and environment to pay the price," Porter said. "EPA's policies under the Obama administration have consistently striven to eliminate competitive energy markets while ignoring engineering realities, sound science, and economic impacts."

Porter noted that EPA's recent changes in air emission regulations have caused grave concern in Texas because it underestimated compliance costs to the oil and gas industry and it overestimated and exaggerated regulatory and environmental benefits. Porter also said that "increased regulatory and economic burden on operating companies, particularly the smaller operators who make up an overwhelming majority of the industry in Texas" will be especially difficult.

"The Commission supported exemptions for low production well sites of less than 15 barrels of oil equivalent or less per day," he said. "The Commission also urged EPA to establish other exemptions for small oil and gas sites based on reasonably limited emissions or equipment, and is disappointed that EPA included low production well sites in the final rule." Porter pointed out that Texas has regulated air emissions for many years, but EPA had minimal interaction and consultation with Texas and other state regulatory authorities.

Oil and gas operations represent only 3.5 percent of overall domestic greenhouse gas emissions, and these new rules will produce no meaningful climate benefits, according to a letter sent to EPA Administrator Gina McCarthy by U.S. Sen. James Inhofe, D-OK., chairman of the Environment and Public Works Committee on May 24. He said even if the EPA's goal of reducing emissions by 40 percent by 2025, the reduction would yield only an estimated 0.004 degree Celsius reduction in global temperature by 2100.