



Landscape Discussion on
Energy Law & Policy in the Rockies

**Landscape Discussion on Energy Law & Policy
in the Rockies
Friday, October 14, 2022**

**Updates on National Programs and Initiatives
Affecting the Natural Gas Industry**

**Sam Kalen
University of Wyoming College of Law**

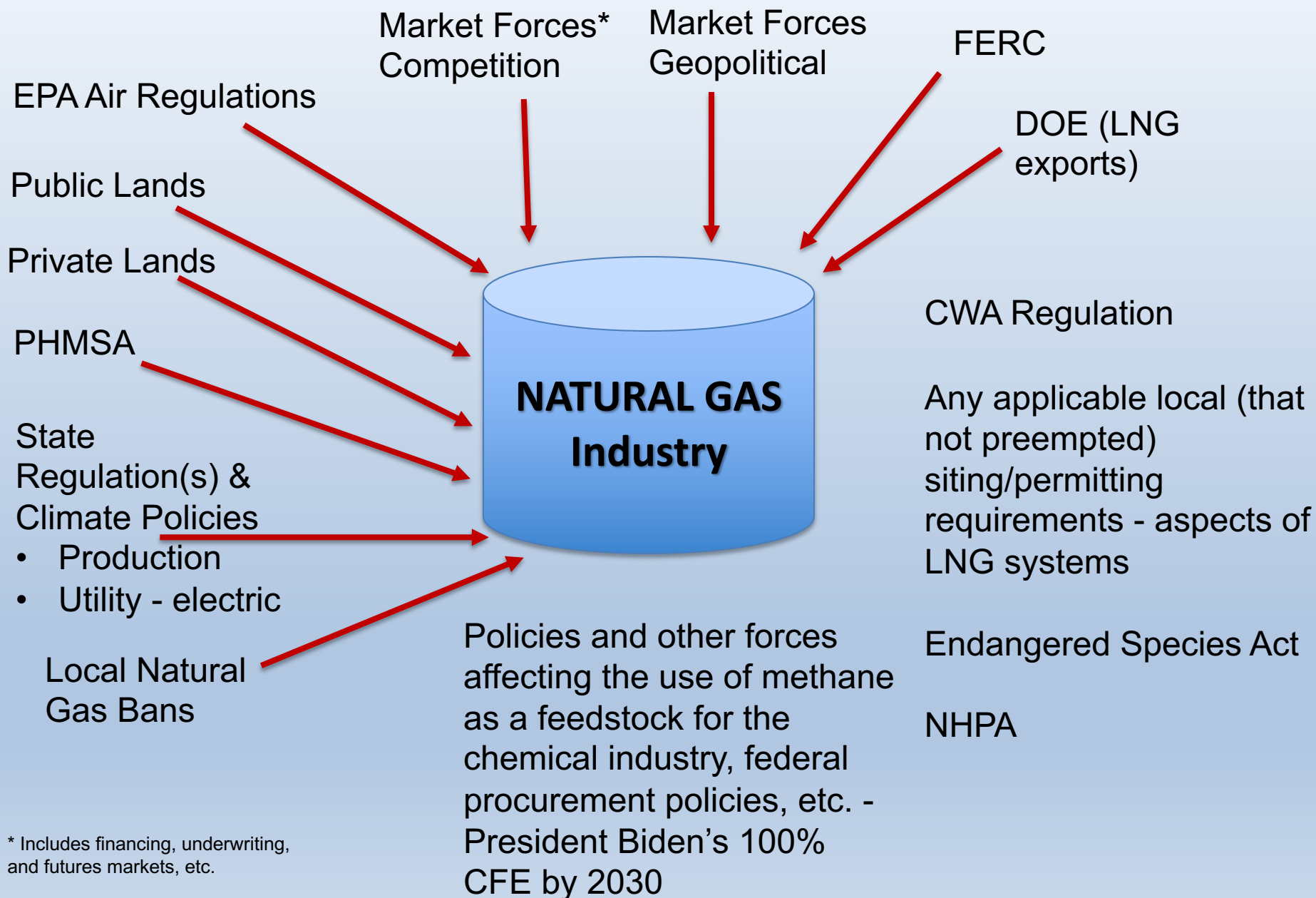


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European Commission President Ursula von der Leyen listens as President Joe Biden speaks. ASSOCIATED PRESS, from Forbes, <https://www.forbes.com/sites/davidblackmon/2022/03/27/bidens-commitment-for-us-lng-to-supply-europe-faces-strong-headwinds/?sh=23777eac247a>

In March, President Biden promoted committing an additional 15 billion cubic tons (bct) of LNG to Europe by end of this year. Expects that supply would increase to 50 bct through 2030.



FERC, Gas Pipelines, & Exports

- FERC & Pipeline Policy and GHG Emissions
 - ROE
 - Precedent Agreements
 - GHG Emissions
- *City of Oberlin v. FERC* (DC Circ. July 2022)
- *Delaware Riverkeeper Network & Maya Van Rossum v. FERC* (DC Cir. Aug. 2022)
- PHMSA Rulemakings

EPA's Supplemental Proposed Methane Rules for Oil & Gas Sector

Overview of Proposal Impacts

EPA's proposal would:

- Yield nearly **\$4.5 billion in climate benefits a year**, totaling \$48 to \$49 billion from 2023 through 2035 – *after* factoring in costs
- **Increase recovery of natural gas** that otherwise would go to waste, valued at \$690 million in 2030 alone
- By 2035, reduce approximately:
 - 41 million tons of **methane** emissions (equivalent to 920 million metric tons of CO₂)
 - 12 million tons of **smog-forming VOC** emissions
 - 480,000 tons of **air toxics** emissions

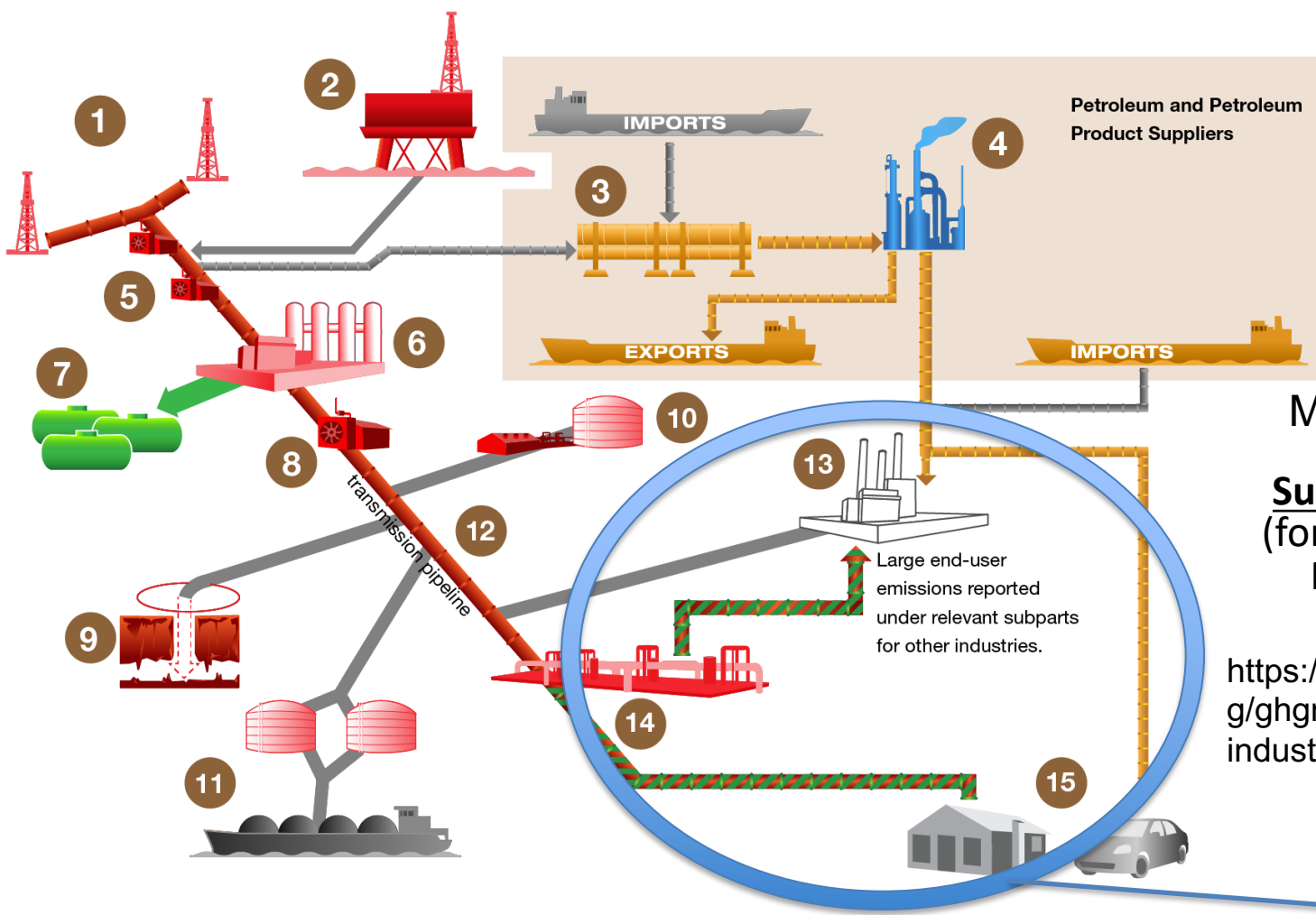
The Inflation Reduction Act (IRA)

(Pub. L. 117-169)

- Methane Charge - subset of petroleum & natural gas (NG) system facilities (emit $> 25,000 \text{ MtCO}_2/\text{annually}$)
 - Offshore petroleum & NG production
 - Onshore petroleum & NG production
 - Onshore NG processing
 - Onshore NG transmission compression
 - Underground NG storage
 - LNG storage
 - LNG import & export equipment
 - Onshore petroleum and NG gathering and boosting
 - Onshore NG transmission pipelines
- Excludes NG distribution facilities & “other oil and gas combustion facilities”



9 Sub W
Reporting
Groups



Production & Processing

1. Onshore Petroleum & Natural Gas Production
2. Offshore Petroleum & Natural Gas Production
3. Total Crude Oil to Refineries
4. Petroleum Refining
5. Gathering and Boosting
*Data collection began in RY 2016
6. Gas Processing Plant
*May contain NGL Fractionation equipment
7. Natural Gas Liquids (NGL) Supply

Natural Gas Transmission & Storage

8. Transmission Compressor Stations
9. Underground Storage
10. Liquefied Natural Gas (LNG) Storage
11. LNG Import-Export Equipment
12. Natural Gas Transmission Pipeline
*Data collection began in RY 2016

Distribution

13. Large End Users
14. Natural Gas Distribution
15. Natural Gas & Petroleum Supply to Small End Users

■	Subpart W: Emissions from petroleum & natural gas systems
■	Subpart Y: Emissions from petroleum refineries
■	Subpart MM: CO ₂ associated with supplies of petroleum products
■	Subpart NN: CO ₂ associated with supplies of natural gas & natural gas liquids
■	Not reported under GHGRP

*Some report under MM, others under NN, C, D, P, & X

The Inflation Reduction Act (IRA)

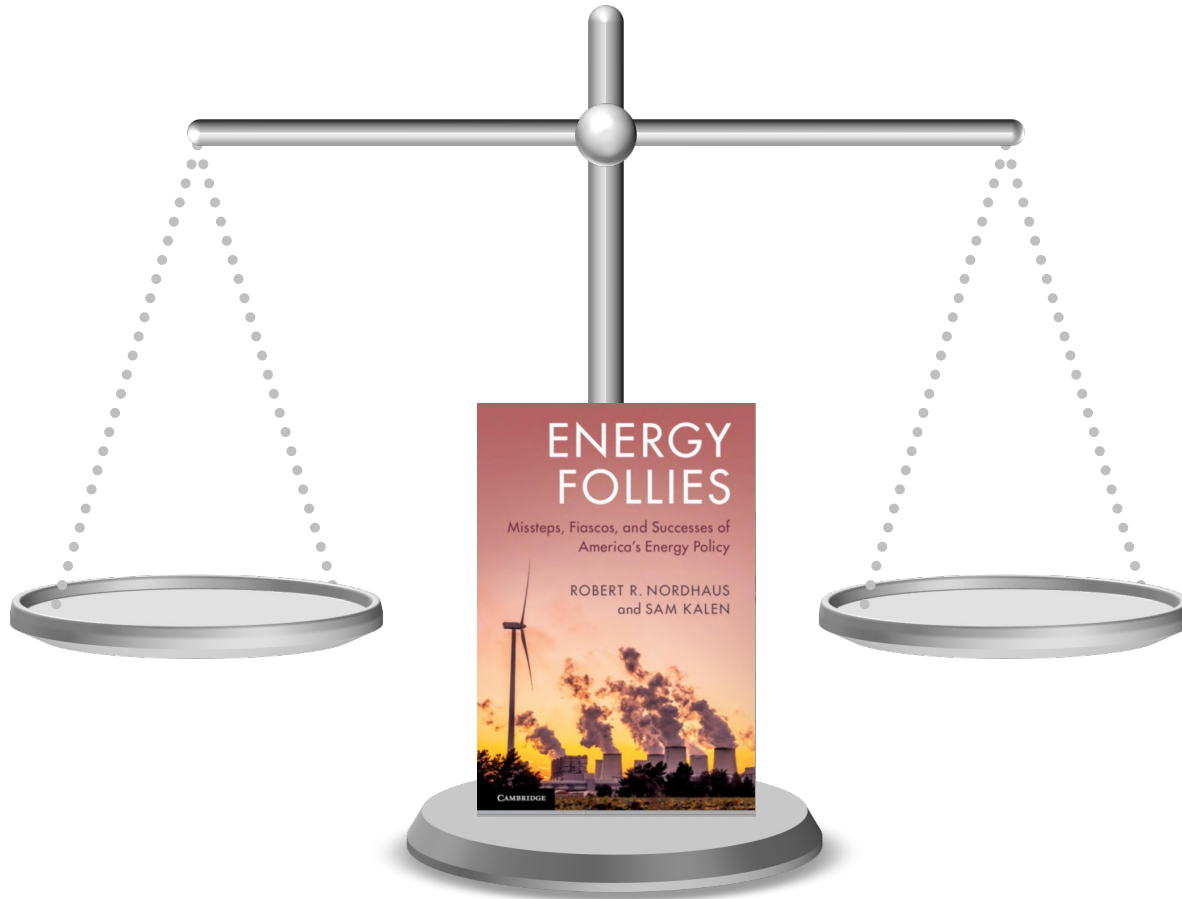
(Pub. L. 117-169)

An exception:

If EPA's final regulations become effective in all states and they will "result in equivalent or greater emissions reductions as would be achieved" under the Nov. 2021 proposal (up to EPA to decide)

The “Deal” or Not . . .

- ✓ Much of the industry dialogue revolved around a few issues
 - ☞ Streamlining the Process (National Environmental Policy Act (NEPA), etc.)
 - ☞ Curbing what was perceived as excessive use of Section 401 of the Clean Water Act (CWA)
 - ☞ Limiting judicial review (whether by identifying a court, etc., or limiting the time for a challenge)
- ✓ Senators Manchin & Capito = MVP or . . .



THE END