

February 13, 2023

U.S. Environmental Protection Agency  
Docket No. EPA-HQ-OAR-2021-0317

Submitted via *Regulations.gov*

**Re: Comments on Proposed Rule: Standards of Performance for New, Reconstructed, and Modified Sources and Emissions Guidelines for Existing Sources: Oil and Natural Gas Sector Climate Review**

Dear Administrator Regan:

Thank you for the opportunity to provide comments on the Proposed Rule: Standards of Performance for New, Reconstructed, and Modified Sources and Emissions Guidelines for Existing Sources (proposed rule). With approximately C\$11 billion in assets under management, NEI Investments' approach to investing incorporates the thesis that companies can mitigate risk and take advantage of emerging business opportunities by integrating best environmental, social and governance (ESG) practices into their strategies and operations. We have also made a pledge to align our portfolio with a net-zero by 2050 target. Importantly, we apply this lens to our investments in the oil and gas sector, where we continue to have material investments. We believe that methane management and mitigation continues to provide the greatest near-term opportunities to align the sector with a reasonable net-zero trajectory. As such, we strongly support the EPA's efforts to address methane emissions from the sector and believe that the proposed rule will ultimately benefit the sector as a whole.

We commend the EPA for creating a robust, but achievable proposed rule that balances the imperative to reduce methane emissions with encouraging and rewarding continued innovation in monitoring and mitigating those emissions. We have commented on the key aspects of the proposed rule that we urge the EPA to maintain in the final rule.

- **Requiring Routine Leak Monitoring at Every Well Site and Compressor Station**
  - We strongly support the strengthened provisions in the proposed rule that now include regular monitoring of all sites, including low-production wells. This was previously a significant oversight that left a major source of methane out of scope of the rule and provided an uneven playing field for operators. We urge the EPA to ensure that this coverage is maintained in the final rule.
  - We are very pleased to see that the proposed rule would allow for, and incentivize, the use of advanced methane detection technologies to assess leaks in lieu of optical gas imaging or EPA Method 21. We believe this flexibility will help offset the cost of enhanced monitoring while also incentivizing the development of increasingly sophisticated direct measurement technologies. The measurement techniques and methodologies that have been relied on traditionally are not providing an accurate capture of methane emissions data and this lack

of accurate data creates a real risk of misallocation of capital. Direct measurement technologies have the potential to provide much more decision useful information.

- We urge the EPA to work with States and industry to continue to encourage innovation in monitoring, and specifically to develop means for operators to share monitoring resources and data (where relevant) in order to scale efforts and bring down costs for everyone.

- **Strengthening Requirements for Flares**

- The proposal to enhance the compliance requirements for the operation of flares is a welcome development, as there are concerns that flares are a much bigger source of methane emissions than previously thought.<sup>1</sup> The preponderance of malfunctioning flares brings into question the historical reliance on flaring as a means of addressing methane and points to a need to limit its use to a means of last resort.
- The current requirement allows the use of flaring if the operator can certify that other options are infeasible or unsafe. This is an improvement on previous expectations but we are concerned this loophole could be exploited without very firm guidance and limits on what qualifies as infeasible or unsafe.
- We believe the goal should be to eliminate routine flaring, with the obvious exception for safety reasons. As such, the bar for applying for flaring exemptions should be suitably high. We note that the elimination of routine flaring is already a commitment that has been made by numerous industry players and is also consistent with current expectations in Colorado and New Mexico.

- **Requiring Pneumatic Pumps to Have Zero Emissions**

- We agree with the requirement to rapidly phase out polluting pneumatic pumps and to move entirely to zero emission pneumatic devices. This is already an established best practice in the industry and will provide substantial emission reductions at a marginal cost. The timeline for retrofitting devices appears to be reasonable, though industry concerns about the ability of the supply chain to provide adequate devices should be assessed against equipment manufacturers' forecasts to ensure there is adequate supply.

- **Creating a Super Emitter Response Program**

- The proposal to leverage the increasingly sophisticated remote methane detection abilities of regulatory agencies and third parties to detect, and fix, super emitters appears to be a welcome development. Super emitters can be missed by standard LDAR procedures, so the problem does require a creative solution, and involving a broader set of stakeholders in identifying these problem sources is worth exploring.
- The proposed solution could address the thorny issue of super emitters, and importantly, address community concerns about super emitters going unaddressed. The ability of third parties to raise concerns could potentially enhance the social license of industry and provide

---

<sup>1</sup> <https://www.science.org/doi/10.1126/science.abq0385>

further resources to achieve the goal shared by all parties – namely, to reduce methane emissions. Having super emitters go unaddressed serves nobody’s interests.

- We recommend that the process of identifying super emitters, and company responses to their detection, should be a matter of public record. Transparency will help both with ensuring compliance from companies and creating accountability with third parties.

In closing, we are very supportive of the EPA’s focus on reducing methane emissions in the oil & gas sector. Methane abatement remains one of the cheapest and easiest means of reducing the industry’s GHG footprint in the near-term. A strong regulatory framework that helps scale the solutions and technologies required to address methane emissions will ultimately benefit the sector and reward the companies who have been leading the way in reducing emissions.

Best regards,

A handwritten signature in black ink, appearing to read 'Jamie Bonham', with a long horizontal flourish extending to the right.

Jamie Bonham  
Director, Corporate Engagement, NEI Investments