

June 24, 2020

Department of Environmental Protection (DEP)

Control of VOC Emissions from Oil and Natural Gas Sources

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Good afternoon, I am Sr. Nora Nash of the Sisters of St. Francis of Philadelphia. I represent my congregation, a community of Franciscan women whose charism calls us to be strong proponents of climate, environmental, and racial justice. We accept our moral responsibility to protect our environment, speak for the human rights of communities, human health and the over-all “common good” of society.

As a resident of Delaware County, I appreciate this opportunity to address the Pennsylvania Department of Environmental Protection (DEP) regarding its intent to Control VOC Emissions from Oil and Natural Gas Resources. From production and processing to storage and transportation, methane and VOC’s leak at every stage of the fracked gas supply chain and a recent analysis by the Environmental Defense Fund (EDF) found that Pennsylvania’s oil and gas sector emitted 1.1 million tons of methane annually—16 times more than what the industry itself reports.

The proposed rulemaking to limit climate-warming methane pollution and harmful volatile organic compounds from existing oil and natural gas operations is essential to the state’s responsibility to curb the climate crisis, the coronavirus as well as protect the human rights and health of its 12 million plus residents. The problem is actually worse than previously understood since there are salient and systemic financial risks posed by climate change and the coronavirus. Delaware County is one of the last counties to meet some of the State’s requirements to exit the lockdown phase (this Friday) and we will still be required to wear masks. The experience of the pandemic provides a warning of the impending public health and economic challenges that accompany continued unchecked planetary warming. Unless we can significantly reduce emissions now, human-induced warming poses an existential threat with catastrophic consequences.

Unfortunately, the proposal currently includes loopholes that would leave over half of all potential cuts to methane pollution from the industry unchecked and exempts thousands of low-producing wells from leak inspection.

Pennsylvania needs to adopt a strong final rule if it is to achieve Governor Wolf's climate goals to reduce greenhouse gas emissions by 80% by 2050 (compared to 2005 levels). Recognizing that our state is the second-largest gas producing state and the third largest greenhouse gas polluting state in the nation, we bear an ecological and social responsibility to address the issue.

I appreciate this opportunity to suggest that the DEP address these additional changes in the proposed rule:

- Do not exempt low-producing wells from the leak detection and repair requirements since these wells are responsible for excessive methane pollution from oil and gas sources. Routine inspection should be required on ALL wells.
- The frequency of inspection is essential to the proposed rule and the industry should be required to do frequent and regular inspection since leaks occur randomly.
- Recognize that the State is lagging in using updated technology and it is time to implement technical and procedural fixes to record methane leakage.

Thank you for considering my testimony. In summary, please close the industry-friendly loopholes and adopt a strong final rule that helps meet our state's climate goals and tackles the climate crisis, the coronavirus and environmental and racial issues.

Addressing the Control VOC Emissions from Oil and Natural Gas Resources is an important step in reaffirming Article 27 of our State Constitution which Governor Wolf is charged to protect.

Respectfully submitted,



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Testimony for Control of VOC Emissions from Oil and Natural Gas Sources
Pennsylvania Department of Environmental Protection
June 24, 2020

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Good afternoon and thank you to the Department for the opportunity to provide comments today on the proposed rules. My name is Jeff Perkins and I am a resident of Montgomery County, PA. I represent Friends Fiduciary Corporation as its Executive Director. Headquartered in Philadelphia, Friends Fiduciary is a faith-based socially responsible investment firm. We invest over \$0.5 billion dollars on behalf of Quaker faith communities and other organizations in Pennsylvania and across the country. We invest in consistent with the Quaker values of peace, integrity, equality, community, and care for creation.

At Friends Fiduciary, we see climate risk as the most serious systemic threat to our economy and society. For this reason, we are glad to see the proposed rules addressing methane emissions, as one step towards mitigating climate change. Methane is 84 times more potent than CO₂, as a greenhouse gas and is estimated to account for 25% of the global warming we're experiencing today.

As the second largest producer of natural gas, it is critical that Pennsylvania take the threat of climate change seriously. Recent analysis from the Environmental Defense Fund shows that methane emissions in Pennsylvania are even worse than we thought—in fact actual emissions were found to be 16 times greater than the emissions reported to the state.

While the proposed rules are a step in the right direction, we believe that they don't go far enough. As currently proposed, they would only reduce a small percent of the total methane currently emitted. Therefore, I ask you to consider strengthening the rules with two commonsense measures: 1. Extend the regulations to lower producing wells which are currently getting a pass; these well are estimated to account for over half of our state's methane emissions and 2. Require a regular leak detection schedule to discover and address leaks when they do occur.

So why am I, a businessperson and investor, taking time to give testimony on this issue today? I'm here because in addition to the environmental and public health arguments for methane regulation there is also a compelling business case for stronger methane regulation. Methane that is emitted is essentially lost product that companies could be selling—so methane emissions directly translate to lower profits. The International Energy Agency has estimated that oil and gas companies can reduce a third of methane emissions at no net cost, even at today's low prices. Over the past several years, we at Friends Fiduciary, along with other investors have directly engaged oil and gas companies in our portfolios to make this business case for voluntary methane mitigation. And leading companies have come to recognize the business case for doing so and these companies have taken measures to reduce emissions.

However, some companies are not following best practices and they put the entire industry's social license to operate at risk. Natural gas is a viable bridge fuel only if methane emissions are controlled. With stronger rules Pennsylvania could move into a leadership position on this issue, thereby strengthening Pennsylvania's economy. That's because industries and states that can demonstrate their competitive advantage in a low-carbon economy will be better positioned for success as investors and consumers reward those demonstrating leadership on climate change.

As an investment business based in Pennsylvania, with a significant number of clients in Pennsylvania, we at Friends Fiduciary believe that these rules are a step in the right direction and with the suggested changes to further strengthen the rules, would not only be cost effective for companies but also protect the long term health of our communities and further strengthen our state's economy. Thank you for your consideration of our testimony.