WASHINGTON – An appeals court Monday struck down the Environmental Protection Agency’s 90-day suspension of new emission standards on oil and gas wells, a decision that could set back the Trump administration’s broad legal strategy for rolling back Obama-era rules.

In a 2-to-1 ruling, the U.S. Court of Appeals for the District of Columbia Circuit concluded that the EPA had the right to reconsider a 2016 rule limiting methane and smog-forming pollutants emitted by oil and gas wells but could not delay the effective date while it sought to rewrite the regulation.

The agency has proposed extending the initial delay to two years; the court will hold a hearing on that suspension separately.

"The court’s ruling is yet another reminder, now in the context of environmental protection, that the federal judiciary remains a significant obstacle to the president’s desire to order immediate change," Richard Lazarus, an environmental-law professor at Harvard Law School, said in an email.

"The D.C. Circuit’s ruling today makes clear that neither the president nor his EPA administrator, Scott Pruitt, can by fiat unilaterally and instantaneously repeal or otherwise stay the effectiveness
of the environmental protection rules put into place during the Obama administration," he added.

The EPA, along with the American Petroleum Institute, had argued that the stay Pruitt imposed last month was not subject to judicial review, because it did not constitute final action on the rule. In a recent interview with The Washington Post, Pruitt said, "Just because you provide a time for implementation or compliance that's longer doesn't mean that you're going to necessarily reverse or redirect the rule."

But the court rejected that interpretation, writing, "EPA's stay, in other words, is essentially an order delaying the rule's effective date, and this court has held that such orders are tantamount to amending or revoking a rule."

The ruling could affect myriad agencies that have delayed the Obama administration's regulations, some for long periods. And it underscores the extent to which activists are turning to the courts to block President Donald Trump's most ambitious policy shifts.

Last month, for example, the Interior Department announced that it would delay compliance with a rule finalized in November that would limit methane burned off from drilling operations on federal and tribal lands. And the Labor Department just proposed delaying until December a rule that was set to take effect July 1 that would require companies to electronically report injuries and illnesses.

"The court says you can consider changing the rules but you have to do it the normal way, with a comment period," said David Doniger, director of the climate and clean-air program at the Natural Resources Defense Council. "You can't yank it out of existence on your say-so."

Lazarus added, "Changing the rules midstream can occur only after a thorough administrative review, including public notice and opportunity to comment, that ensures that there are good reasons for the change, backed up by sound policy and science."

EPA spokeswoman Amy Graham said in an email that the agency was "reviewing the opinion and examining our options" in light of the decision.
The rule the EPA had sought to suspend had imposed the first-ever federal limits on leaks of methane, a potent greenhouse gas, from oil and natural-gas wells. It applied only to new or modified wells. The agency had previously projected that the rule would prevent 11 million metric tons of carbon-dioxide-equivalent emissions by 2025. Doniger said it would, so far, apply to about 11,000 wells drilled since September 2015.

Many of the industry's largest companies have been working with the Environmental Defense Fund to measure leakage through the natural-gas system, including wells, pipelines, power plants and homes. The EDF said that reducing leaks would keep large quantities of smog-forming volatile organic compounds, cancer-causing benzene, and methane from being emitted into the air.

Pruitt has moved to suspend or revoke several other rules adopted during the Obama administration, including a two-year delay on a regulation aimed at minimizing chemical accidents like the 2013 ammonium nitrate explosion at a plant in West, Tex.

Monday's court ruling was sharply worded at points, with the judges dismissing "the flimsiness" of the EPA's "claim that regulated entities had no opportunity to comment" on one aspect of the methane rule.

"The administrative record thus makes clear that industry groups had ample opportunity to comment on all four issues on which EPA granted reconsideration, and indeed, that in several instances the agency incorporated those comments directly into the final rule," the judges wrote.

Reid Porter, a spokesman for the American Petroleum Institute, said in an email that the suspension of the rule would have allowed for "regulatory certainty" and that an EPA report in March concluded that methane emissions from petroleum production had already declined roughly 8 percent from 2014 levels.

"API supports revision of the 2016 New Source Performance Standards, and we are hopeful that the eventual outcome recognizes the science, allowing for revisions to the flawed rule," Porter said.

Even as one aspect of the administration's push to promote domestic energy production faced a legal setback Monday, it advanced on a separate front. The Interior Department launched a new offshore-leasing planning process for 2019 to 2024, a move that could open up new areas for drilling in the Arctic, Atlantic and Pacific oceans, as well as the Gulf of Mexico.
In a Federal Register notice published Friday, the Interior Department invited public comment on a plan that would "replace the 2017-2022 Program" established during the Obama administration and represent "a key aspect of the implementation of President Donald J. Trump's America-First Offshore Energy Strategy."

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*The Washington Post's Brady Dennis contributed to this report.*