US oil industry weighs voluntary action on methane
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Washington, 2 October (Argus) — The largest lobbying group for the US oil and gas sector is considering approving a voluntary framework for curbing emissions of the greenhouse gas methane in hopes of deterring mandatory regulation in the future.

The American Petroleum Institute's (API) upstream committee is "very, very close" to getting its members to approve the voluntary methane reduction framework, Shell executive vice president of unconventional Greg Guidry said. The initiative would give industry the next few years to show "self-improvement" on methane emissions and demonstrate further regulations are not necessary, said Guidry, who serves on the committee.

"If we do not demonstrate stewardship over that period of time, then I dare say we are not going to like the subsequent time period," Guidry said today at Energy Dialogues' North American Gas Forum in Washington, DC.

API said it was continuing to work with members on industry technical programs but did not have "anything new to report on new programs."

Methane emissions from the oil and gas industry account for 3pc of greenhouse gas emissions in the US, wiping out some of the climate benefits of replacing coal-fired power plants with natural gas. Environmentalists often cite the industry's methane emissions to justify their opposition to building natural gas infrastructure.

But API and other industry groups opposed efforts by the US Environmental Protection Agency (EPA) and other agencies to start to regulate methane because of concerns about their cost and the prospect of additional oversight. President Donald Trump's administration is trying to delay those regulations for two years and may rescind them entirely.

API's standards would replicate parts of the federal standards, although they would be adopted on a voluntary basis. The voluntary standards could also apply to existing oil and gas sources, whereas EPA's regulations would have only regulated new and heavily modified oil and gas facilities.

The standards could go into effect as soon as January. They would mostly eliminate "high-bleed" pneumatic devices used to control valves on equipment that leak methane into the atmosphere, Guidry said. The standards are aimed at cutting emissions during a process called liquids unloading. And they would outline how often companies should search for equipment leaks and make repairs.

"Those details are going out to the membership as we speak," Guidry said.

ExxonMobil subsidiary XTO Energy last week said it was enhancing an existing leak detection program and would create new facility designs intended to reduce emissions. The subsidiary is also seeking to eliminate the use of high-bleed pneumatic devices over the next three years, it said.

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