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September 12, 2014

**By Electronic Mail**

Janet McCabe  
Acting Assistant Administrator for Air and Radiation  
Environmental Protection Agency  
Ariel Rios Building  
1200 Pennsylvania Avenue, N.W.  
Washington, DC 20460

**RE: Addressing Methane Emissions from Distribution Sector**

Dear Assistant Administrator McCabe:

In June, the Attorneys General of New York, Delaware, Maryland, Massachusetts, Oregon, Rhode Island, and Vermont (together, “States”) submitted comments on the Environmental Protection Agency’s five white papers addressing major sources of methane emissions from the oil and gas sector. This letter is to follow up on the request in our comments that EPA address methane leaks from the distribution sector. Specifically, the States believe that a recent EPA Inspector General’s report further strengthens our position that EPA should regulate methane leaks from the distribution sector as part of the Administration’s strategy to achieve significant reductions in methane emissions from the oil and gas industry.

By way of brief background, we noted in our June comments that the critical need to limit methane emissions from the production and delivery of natural gas was further underscored by EPA’s recently-proposed Clean Power Plan targeting greenhouse gas emissions from existing power plants. One of the building blocks of the rule is the expanded use of natural gas combined cycle plants to generate electricity. In light of the fact that natural gas is mostly methane and EPA has found that methane is one of the greenhouse gases that endangers public health and welfare, minimizing leaks throughout the natural gas system is necessary to ensure that any global warming benefits of the expanded use of natural gas for power production are not undermined. But as we pointed out in our comments on the “Oil and Natural Gas Sector Leaks” white paper, EPA left out an important piece of the puzzle by excluding methane emissions from the distribution sector despite the agency’s finding that methane leaks from distribution comprise about 20 percent of total methane emissions from oil and gas production and delivery. We also shared our experience in taking action to address distribution sector leaks both to address climate change and protect public safety while emphasizing the need for federal action to drive a more concerted, immediate effort to eliminate leaks and reduce methane emissions from distribution.

The need for EPA to include regulation of methane emissions from the distribution sector as part of the Administration's methane reduction strategy was further underscored by the recent EPA Inspector General's report entitled "Improvements Needed in EPA Efforts to Address Methane Emissions from Natural Gas Distribution Pipelines," Report No. 14-P-0324 (July 25, 2014), available at: <http://www.epa.gov/oig/reports/2014/20140725-14-P-0324.pdf>. The Inspector General found that leaks of methane from distribution pipelines, which account for about half of methane leaks from the distribution sector, cost consumers approximately \$192 million in 2011. The report further bolsters the position of our States regarding the importance of addressing these emissions. The Inspector General found that three of our States (Maryland, Massachusetts and New York) are particularly impacted due to the many miles of distribution lines we have that are especially prone to leak. For example, New York and Massachusetts rank second and third, respectively, in the country in miles of cast and wrought iron distribution lines. IG Report at 3, Table 1. The report concludes that voluntary efforts by industry have failed to result in any meaningful methane emission reductions from the distribution sector and that consistent with the Administration's methane strategy, EPA should develop a strategy to address these emissions. The Inspector General cited the financial disincentive for local distribution companies to fix methane leaks, other than for safety reasons, as an important reason why EPA action in this area is necessary.

Therefore, we urge EPA to consider the Inspector General's report together with the States' comments on the agency's white paper on methane leaks as part of its decision making on how best to implement the President's call to promptly and effectively reduce methane emissions from the oil and gas industry. The States request that EPA propose methane emission standards and guidelines for the sources discussed in the white papers under sections 111(b) and (d) of the Clean Air Act, including covering leaks from the distribution of natural gas.

Thank you for your consideration of this matter.

Sincerely,

FOR THE STATE OF NEW YORK

ERIC T. SCHNEIDERMAN  
Attorney General

/s/ Michael J. Myers

By:

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cc: Joseph Goffman, Senior Counsel to the  
Assistant Administrator