



**Karen Knutson**

Vice President & General Manager, Government Affairs

January 28, 2022

**Via online submission:** [www.regulations.gov](http://www.regulations.gov)

The Honorable Michael S. Regan  
Administrator  
Mail Code 28221T  
1200 Pennsylvania Avenue NW  
Washington, D.C. 20460

**Re: Docket ID Number: EPA-HQ-OAR-2021-0317**

As an active operator in the United States, with exploration and production operations in California, Colorado, New Mexico, Texas, and the Gulf of Mexico, Chevron is proud to be a U.S. industry leader in managing methane emissions and responsibly producing oil and gas. In 2019, Chevron's U.S. onshore production methane intensity was 85 percent lower than the U.S. industry average, based on data from the EPA U.S. Greenhouse Gas Reporting Program. We believe continued methane emission reduction is possible in the energy industry and other key sectors through adoption of industry best practices and well-designed regulation. Accordingly, Chevron supports the regulation of methane for new and existing sources and is committed to working with EPA on this important topic.

Continued methane management is important for advancing a lower carbon future. Globally, Chevron has set a 2028 methane target of 2 kilograms CO<sub>2</sub>-equivalent per barrel, which is a 50 percent reduction from our 2016 baseline. As a company, we are also committed to expanding our methane-detection capabilities to help us focus on the best opportunities globally to further lower methane emissions.

We encourage EPA to consider the following features as part of a well-designed and properly enacted methane regulation:

- **Performance-based regulation:** Policy should set appropriate methane metrics while providing flexibility for companies to determine the optimal way to meet those metrics.

**Chevron Government Affairs**

600 13<sup>th</sup> Street, NW Suite 600, Washington, DC 20005  
Tel 202 408 5858 Fax 202 408 5845  
[karenknutson@chevron.com](mailto:karenknutson@chevron.com)

- **Technological innovation:** Policy should be flexible and allow for the incorporation of new and future technologies, such as aerial and drone monitoring, that can identify and address methane emissions most effectively.
- **Industry best practices:** Reasonable minimum equipment standards help ensure all operators are working to curtail methane emissions.
- **All sectors contributing:** Improving methane performance is important for the oil and natural gas production industry (28 percent of U.S. methane emissions), as well as other sectors, which make up the remaining 72 percent. Policy should apply to all key sectors including the agriculture, waste, and coal mining sectors so that economy wide methane emissions can be further reduced.

While we support EPA's overall objective of methane emission reduction, and appreciate the opportunity to comment on EPA's proposal, we also look forward to the release of regulatory text. Regulatory text containing detailed information about how the proposal will be implemented is critical. We recognize EPA has indicated its intent to provide the regulatory text in early 2022 and respectfully request that an extended comment period be considered to allow all interested stakeholders the opportunity to provide the appropriate level of technical input and perspective.

For purposes of the administrative record, Chevron incorporates the comments from the American Petroleum Institute (API) on the proposal, which were submitted under separate cover. In addition to the comments contained in API's comments, we would like to highlight the following specific topics for EPA's policy consideration:

**Leak Detection and Repair (LDAR) program requirements:** Chevron supports the inclusion of pathways for the use of new, advanced technologies in the proposed regulation. We look forward to reviewing the regulatory text as it pertains specifically to the ability of regulated entities to leverage alternate technologies combined with currently used methods to achieve reductions in methane emissions. As part of these principles, we encourage EPA to ensure the rule text gives operators the ability to appropriately optimize both the frequency of inspections as well as the technology used during LDAR inspections based on the likelihood and size of potential leaks.

As it relates to EPA's proposed utilization of Appendix K for LDAR in upstream operations, Chevron has significant concerns with the effectiveness and practicality of this approach. While Appendix K was drafted and designed for the implementation of LDAR programs in a downstream setting, upstream facility design and operational settings need to be considered as

the regulatory process moves forward. We encourage EPA to carefully evaluate which elements of Appendix K may not be fit for purpose for upstream LDAR and craft the rule text accordingly.

**Applicability:** In our review of the draft proposal, we think there are opportunities for EPA to clarify ambiguity about what triggers applicability for new and modified sources and what facilities are subject to each of the four subparts, Quad O, Oa, Ob, and Oc. We anticipate that the actual regulatory text will contain important details clearly defining the applicability for the suite of proposed rules. We support EPA's work to ensure the necessary clarity about applicability.

On a related note, Chevron would like to highlight the comments made by API and other stakeholders that current constraints related to the supply chain be considered when the regulatory text, and questions about applicability dates, are being contemplated.

**Recognition of Existing State Programs:** Across the U.S., many state agencies have already implemented regulations to reduce emissions from the same source categories that EPA is proposing to regulate in this rule. We encourage EPA to recognize the structure and independence of state agencies to ensure consistency in requirements from different regulators, which will improve the effective allocation of resources on the part of all stakeholders.

Thank you for the opportunity to submit these comments to the rulemaking docket. If you have questions regarding the comments above, please contact Jay Thompson at (202) 812-2440, or [thompsonjr@chevron.com](mailto:thompsonjr@chevron.com), or Steven Yang at (510) 619-5235, or [stevenyang@chevron.com](mailto:stevenyang@chevron.com).

Sincerely,

A handwritten signature in black ink that reads "Karen Knutson". The signature is written in a cursive, flowing style.

Karen Knutson  
Vice President & General Manager, Government Affairs