



VIA EMAIL: [a-and-r-docket@epa.gov](mailto:a-and-r-docket@epa.gov)

February 13, 2023

ATTN: Mr. Michael Regan

Environmental Protection Agency  
1200 Pennsylvania Avenue, N.W.  
Washington, DC 20460

Dear Mr. Michael Regan:

**RE: STANDARDS OF PERFORMANCE OF NEW, RECONSTRUCTED, AND MODIFIED SOURCES AND EMISSIONS GUIDELINES FOR EXISTING SOURCES: OIL AND NATURAL GAS SECTOR CLIMATE REVIEW (DOCKET NO. EPA-HQ-OAR-2021-0317)**

British Columbia Investment Management Corporation (BCI) is an investment manager with over CAD \$211 billion in assets under management, and one of the largest institutional investors in Canada. Our investment activities help finance the pensions of approximately 500,000 people in our province, including university and college instructors, teachers, health care workers, firefighters, police officers, municipal and other public sector workers. On behalf of these pension beneficiaries, we provide long term capital to companies around the world that we believe will deliver strong and stable financial returns.

BCI believes in engagement and advocacy over divestment. We have historically addressed long-term and persistent ESG risks through constructive engagement with the oil and gas industry. As a long-term investor, BCI raises concerns and influences companies, standard-setters, and regulators. Through engagement, we encourage companies to adopt targets aligned to the Paris Agreement and improve climate-related disclosure and performance. As part of Climate Action 100+, the world's largest investor-led engagement initiative, BCI is leading, co-leading, or supporting engagements with three of the United States' largest oil and gas target companies.

BCI welcomes the opportunity to provide feedback to the Environmental Protection Agency on the important topic of methane regulation in the oil and gas industry. Methane emissions are a key driver of climate change, as the gas's global warming potential is 29.8 times larger than CO<sub>2</sub> with a shorter lifetime in the atmosphere<sup>1</sup>, underscoring the urgent need for federal regulatory action. Climate change

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<sup>1</sup> IPCC, 2021: Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [Masson-Delmotte, V., P. Zhai, A. Pirani, S.L. Connors, C. Péan, S. Berger, N. Caud, Y. Chen, L. Goldfarb, M.I. Gomis, M. Huang, K. Leitzell, E. Lonnoy, J.B.R. Matthews, T.K. Maycock, T. Waterfield, O. Yelekçi, R. Yu, and B. Zhou (eds.)]. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA, 2391 pp. 1017 doi:10.1017/9781009157896.

is one of the key strategic engagement priorities for BCI given that we view it as a systemic risk that will impact the entire economy. For further information about how we approach this priority as an investor, I would point you to our Climate Action Plan published in 2022. <https://uberflip.bci.ca/i/1484825-bcis-2022-climate-action-plan/0?>

#### *Creation of a super-emitter response program*

BCI supports the Proposed Rule to prevent, detect and mitigate super-emitter emissions events, which are some of the largest and most difficult to identify and fix. Methane leaks have significant consequences on the mix of greenhouse gases in the atmosphere, and its warming potential. Particularly, BCI is supportive of allowing an EPA-approved third-party or regulatory authority to identify such events and notify owners and operators. The requirement to conduct root cause analysis by owners or operators and take corrective actions to mitigate emissions creates a regulatory program to effectively mitigate super-emission events.

#### *Requirement to inspect all well sites*

BCI is highly supportive of maintaining strengthened provisions requiring leak monitoring for all sites, regardless of their estimated emissions, while providing flexibility for compliance by allowing advanced technologies to be used should they deliver equal or better methane mitigation. As these wells drive a significant proportion of all wellsite emissions, we view this as a strong approach to ensure that oil and gas companies can deliver more robust carbon reduction commitments.

#### *Use of “zero-emission” pneumatic controllers and pumps*

BCI supports the expansion of the November 2021 proposed standard for pneumatic pumps to also cover controllers. The stronger standards address one of the largest sources of methane pollution. In addition to requiring the phase out of polluting pneumatic controllers and pumps in favour of zero-emitting alternatives, we believe that prohibiting the use of natural gas to power pumps and controllers will contribute to decreasing greenhouse gas emissions without requiring large investments as non-emitting pneumatic controllers and pumps are inexpensive and readily available. We commend the EPA in providing some flexibility for remote sites without electricity, if it has been demonstrated that it is not technically feasible to forego from using natural gas, as long as the installation of solar-powered controllers with batteries remain unreliable.

*Flaring requirements*

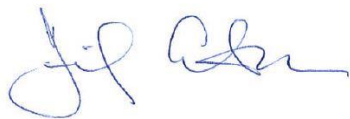
Flaring contributes from 4 to 10% of total US oil and gas methane emissions<sup>2</sup>. BCI is supportive of strengthening on the proposed framework to address routine flaring by ensuring that operators at wells capture associated gas and limit flaring of the gas to only instances in which it is necessary for safety or maintenance reasons. Not only will this proposal decrease the volume of methane emitted into the atmosphere, but it will also be economical for companies as more gas can be exploited. Many countries and companies have already committed to zero routine flaring, should the EPA go ahead with this framework, the United States would align themselves with best practice.

*Concluding remarks*

Overall, BCI is supportive of the strong provision maintained from the original proposal in 2021. The standards laid out in the supplemental proposal are a critical step forward to reduce underestimated methane emissions in the oil and gas industry.

For any clarifications related to this submission please contact Susan Golyak at [susan.golyak@bci.ca](mailto:susan.golyak@bci.ca), Director, ESG

Sincerely,



Jennifer Coulson  
Senior Managing Director & Global Head of ESG  
Public Markets

cc Susan Golyak, Director, ESG

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<sup>2</sup> Plant, Genevieve, Eric A. Kort, Adam R. Brandt, Yuanlei Chen, Graham Fordice, Alan M. Gorchov Negrón, Stefan Schwietzke, Mackenzie Smith, and Daniel Zavala-Araiza. "Inefficient and Unlit Natural Gas Flares Both Emit Large Quantities of Methane." *Science* 377, no. 6614 (2022): 1566–71. <https://doi.org/10.1126/science.abq0385>.