AMERICAN PUBLIC GAS ASSOCIATION

January 18, 2023

Office of Air and Radiation
U.S. Environmental Protection Agency
Office of Air and Radiation
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

Submitted via regulations.gov

RE: Comments Pertaining to Office of Air and Radiation's Implementation of the Inflation Reduction Act

Office of Air and Radiation staff:

The American Public Gas Association (APGA) appreciates the opportunity to provide comments in response to the U.S. Environmental Protection Agency's (EPA) feedback pertaining to the Office of Air and Radiation's (OAR) implementation of the Inflation Reduction Act (IRA).

APGA is the trade association for more than 730 communities across the U.S. that own and operate their retail natural gas distribution entities.[1] They include not-for-profit gas distribution systems owned by municipalities and other local government entities, all locally accountable to the citizens they serve. Public gas systems focus on providing safe, reliable, and affordable energy to their customers and support their communities by delivering fuel to be used for cooking, clothes drying, and space and water heating, as well as for various commercial and industrial applications.

On August 16, 2022, President Biden signed the IRA, which appropriated almost $11 billion to EPA to implement several provisions of the IRA pertaining primarily to emissions reductions and climate change. As energy providers, APGA member gas systems are environmental stewards, prioritizing sustainability, emissions reductions, and anything that may positively affect their impact on the environment. As OAR works to implement the programs created under the IRA, APGA urges the agency to leverage public utilities, especially the workforce and existing assets, and natural gas more broadly to support the goals of the IRA. To facilitate this, we offer the below comments.

[1] More information available at www.apga.org.

Comments

APGA supports goals to reduce greenhouse gas (GHG) emissions in the United States. As a cost-effective, reliable, and efficient energy source, consumers value the ability to choose natural gas as an energy solution that works best for their budgets and lifestyles. Given its growing domestic supply and safe, reliable, and efficient delivery system reaching almost every home and business in America, the direct use of natural gas is an important part of our country's energy future and a pathway to addressing climate change. In fact, natural gas has been a big driver behind our country's declines in emissions- carbon dioxide emissions from residences using natural gas are about 22% lower than those attributable to a typical all-electric home.[2]

APGA members are committed to continuously improving practices and maintaining their infrastructure to minimize GHG emissions from natural gas distribution systems. To do our part and best support the communities we serve, APGA members are taking action, such as replacing aging infrastructure with modern piping materials to minimize leaks on the system, repairing all leaks as soon as required and practicable, and following industry best practices during construction, operations, and maintenance activities to limit methane emissions.

However, in reaching the ambitious goals of the IRA, APGA cautions against misguided policies that put all our "eggs in one basket" by eliminating Americans' ability to choose the energy source best fit for their needs and budget. Many of the IRA programs for which OAR is requesting feedback do not favor one energy source over another, so APGA encourages OAR to maintain that fuel neutrality as it develops and implements these programs. Every jurisdiction has different resources and needs to serve, so overly prescriptive requirements will preclude many communities from participating in any competitive bidding processes or programs, which might lead to setbacks for our country's decarbonization goals.

To best utilize this money allotted by Congress via the IRA, OAR should keep economic energy savings and carbon reduction front of mind while also allowing eligible entities and partnerships sufficient flexibility to qualify for the competitive funding. Specific responses to select dockets are provided below, and these complete comments have been submitted in each relevant docket.

Docket 2: Transportation Programs

Natural gas also has an important role to play in reducing emissions in the transportation sector. Natural gas vehicles (NGVs) are already some of the cleanest vehicles on the road with significantly lower GHG emissions than those using gasoline or diesel engines, and they have the immediate potential to become even more environmentally friendly with additional support for the development of renewable natural gas (RNG). Blending even small amounts of RNG with fossil natural gas can produce significant emissions reductions, and RNG currently accounts for

[2] American Gas Association, "Natural Gas is Essential for Improving our Environment," https://playbook.aga.org/environment .

more than 53% of all natural gas motor fuel. Because RNG is created by recycling biomethane collected from agricultural waste, landfills, and wastewater treatment plants into a usable product, it has the potential to yield a carbon-negative lifecycle emissions result. Continuing to promote and invest in the development and use of this fuel will only further advance the already existing environmental benefits of NGVs.

NGVs are a cost-effective way to help address excessive pollution from heavy-duty vehicles and ports. Unfortunately, the transportation programs funded under the IRA regarding these areas only provide funding for zero-emission vehicle technology. Focusing only on funding for zero emission technologies imposes unnecessarily high costs and deprives stakeholders of the opportunity to maximize emission reductions by pursuing a variety of commercially available technologies. Commercially available technology that provides reductions of 90 percent or more are readily available at much less cost with more functionality than many zero emission technologies. EPA should work with stakeholders to provide the maximum amount of flexibility as it relates to deploying these technologies and, if necessary, seek Congressional assistance in modifying this overly restrictive statutory language.

Docket 3: Methane Emissions Program

Pipeline safety is the top priority for APGA members and all publicly-owned natural gas distribution systems. The natural gas industry, including APGA members, are also doing their part to reduce emissions from natural gas distribution operations. Overall, the natural gas pipeline network is getting cleaner, as emissions from the U.S. natural gas distribution system have declined 73% since 1990, while more natural gas customers continue to be added every year.

However, publicly owned natural gas systems face unique challenges in obtaining funds to support the accelerated repair and replacement of distribution system infrastructure. Ensuring that public gas systems qualify for direct funding under the Methane Emissions and Waste Reduction Incentive Program will allow APGA members to address numerous Accelerated Actions identified through their Distribution Integrity Management Programs (DIMP). Additionally, qualification for such funding can also allow them to purchase modernized leak detection equipment for their leak detection and repair programs, which will help to further minimize emissions from the distribution sector.

Furthermore, APGA and our members have long supported measures for improving the transparency and accuracy of methane emissions reporting and for promoting best practices for reducing methane emissions. Accordingly, APGA would like to reiterate its previous comments related to revisions to EPA's GHG reporting program subpart W, as it has yet to finalize recently proposed changes, and several commenters, including APGA, urged the agency to postpone any final changes until IRA-related changes could also be incorporated.[3] Additionally, as it specifically pertains to the IRA, EPA should propose and seek comment on a definition of "empirical data." The proposed definition should recognize that emissions factors are based on empirical data and account for the current and growing number of technologies and methods that can be used to collect emissions data. Furthermore, any revisions to subpart W should make clear that "empirical data" is an *option*, not a requirement, for reporting purposes. Finally, as EPA works to update subpart W, it should also take all efforts to align its requirements to other ongoing and anticipated rulemakings.

Docket 6: Low Emissions Electricity Program & GHG Corporate Reporting

The IRA also authorized funds for EPA "to support— (1) enhanced standardization and transparency of corporate climate action commitments and plans to reduce greenhouse gas emissions; (2) enhanced transparency regarding progress toward meeting such commitments and implementing such plans; and (3) progress toward meeting such commitments and implementing such plans." APGA supports efforts to help bring consistency to this field but cautions the agency against any mandatory reporting. Not only did the IRA not authorize such requirements, but the cost burdens for many entities, such as many APGA members, would be very significant.

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APGA members play a critical role in delivering Americans the clean, affordable, and reliable energy they need. OAR's use of this funding and implementation of these programs should allow states and their communities to leverage the existing natural gas distribution network and fuel delivery infrastructure to meet both the goals of the IRA and the climate goals of the current Administration.

We thank you for the review and consideration of these comments and look forward to continuing to partner with EPA as it develops a path forward. If you have any questions regarding this submission, please do not hesitate to contact us.

Respectfully submitted,

Dave Schryver
President & CEO
American Public Gas Association

[3] Comments from APGA and the American Gas Association to EPA re: Proposed Revisions and Confidentiality Determinations for Data Elements Under the Greenhouse Gas Reporting Rule (Oct. 6, 2022), https://www.regulations.gov/comment/EPA-HQ-OAR-2019-0424-0236.