

RT ENERGY SERVICES

## COAL-FIRED POWER PLANTS SUBJECT OF EPA RULEMAKING / NATURAL GAS UPDATE

Coal-fired power plants provide 40% of the nation's electricity. EPA is promulgating a draft rule which is proposing to cut emissions by up to 30% by 2030, as compared to 2015 levels. States and utilities will be given options, for example - they could encourage the use of renewables and natural gas or give discounts to encourage customers to move their energy consumption to off peak hours.

Separately, with the economy getting better, the five-year decline in carbon dioxide emissions has now reversed, according to the US Energy Information Administration. There is a 2.4% increase in greenhouse emissions in 2013, as compared to 2012. Prior to this reversal, there had been a 12.5% decline in carbon dioxide emissions over five years.

Not all of the emission increases are attributed to the power sector - residential and commercial sectors both grew quickly. Natural gas, whose prices dropped because of newly found deposits of the fuel in Pennsylvania and neighboring states also rose by 2.1% in 2012, and 10% in the first two months of 2014. Increases in natural gas going forward are expected. Meanwhile, the natural gas industry itself is focusing on methane leaks, to reduce their carbon footprint. On the industrial side, the biggest source of emissions in the US is from natural gas and petroleum systems. Small amounts are also generated in transportation of coal. Methane is the primary component of natural gas. Fugitive methane gets into the atmosphere during production, processing, storage, transportation and distribution of natural gas; natural gas is the second largest source of fuel consumed in the United States. According to the EPA, methane, after carbon dioxide, is the second largest volume greenhouse gas emitted from human activities in the United States. Roughly 60% of the gas produced comes from human activity in industry, agriculture, and waste management activities.

Methane is produced in agriculture as livestock such as sheep, cattle, etc., give off large amounts of methane into the atmosphere, in their normal digestive system. There is also methane generated in landfills, and the handling of animal waste can produce large amounts of emissions.

In addition to the natural gas produced from the ground for fuel, methane can also come from wetlands when organic matter decomposes within sufficient oxygen. Smaller amounts come from termites, oceans, sediments, volcanos and wild fires. According to a University of Texas report, "ounce for ounce" methane is at least 84 times more potent as a greenhouse gas over the first two decades after its release than is carbon dioxide.

There are new rulemakings coming out, which will cause the natural gas industry to control methane gas leaks, with rulemakings in Wyoming and Colorado being examples. Ohio also announced a policy

requirement requiring operators to scan for leaks and repair them on a quarterly basis for new unconventional oil and gas wells. The new rules tend to target fugitive emissions from oil and gas operations and product usage. This means going after leaking valves, connectors and other equipment in the production, delivery, and usage of natural gas and oil products. A University of Texas study says the new rules, which are already in place, could reduce methane leaks by about 65,000 tons per year.

The new regulations provide a benefit to natural gas operators - preventing leaks and other losses can mean having much more gas to sell, producing better profits.

These significant changes in energy initiatives and regulations, will continue to improve air quality in the United States. With energy consumption trending upward due to an improving economy, there is no doubt that the United States will continue to lead other nations in helping to keep its air clean, while its economy becomes stronger.

- Gary Brown

Articles by Sandy Bowers (*Philadelphia Inquirer* - June 2, 2014) and Tom Johnson - The Jersey Spotlight.com (*Pipeline and Gas Journal* - May 2014)



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