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July 14, 2017

Mr. Daniel Cohen  
U.S. Department of Energy  
Office of the General Counsel  
1000 Independence Avenue, SW  
Room 6A245  
Washington, DC 20585

RE: Regulatory Burden Reduction RFI

Dear Mr. Cohen:

The Independent Petroleum Association of America (IPAA) submits the following in response to the May 30, 2017, *Federal Register* notice seeking comments and information as part of the U.S. Department of Energy (DOE) implementation of Executive Order 13771, “Reducing Regulation and Controlling Regulatory Costs.” IPAA represents the thousands of independent oil and natural gas explorers and producers that will be the most significantly affected, either positively or negatively, by potential changes in regulations. Independent producers drill about 90 percent of American oil and gas wells, produce 54 percent of American oil and produce 85 percent of American natural gas.

IPAA focuses on three areas where DOE can encourage development of American oil and natural gas production:

- Continued diligence in approving applications for exports of liquefied natural gas (LNG);
- Halting the use of social cost of carbon, as determined under the Obama Administration and without adequate public input; and
- Reducing data collection that is unlikely to yield reliable, usable data. IPAA specifically urges DOE to withdraw its proposal to collect new data on crude oil and lease condensate stabilizer volumes in Form EIA-914.

The overarching message in IPAA’s comments is that America’s boon in natural gas production has dramatically improved air quality over the past decade, primarily through the increased use of natural gas for electricity generation. As documented in the Environmental Protection Agency (EPA) Greenhouse Gas Reporting Program data from October 2016, emissions of carbon dioxide from large reporting facilities fell 4.9 percent between 2014 and 2015, and 8.2 percent since 2005, driven large by reductions from the power sector. Increased generation from natural gas has allowed for significant increases in power generation from renewable, intermittent sources. These benefits can and should continue, with utilities making choices based on economics and reliability.

## **LNG Exports**

The benefits experienced by the United States from increased natural gas production can be shared with other countries through exports of LNG. American LNG can provide a secure, environmentally preferable energy source to allies, even those with whom we do not have a free trade agreement (FTA). While it is much easier to obtain export approval to FTA countries, DOE can and should continue to expeditiously process applications to non-FTA countries. In a July 2017 speech in Warsaw, President Trump stated, “We are committed to securing your access to alternate sources of energy, so Poland and its neighbors are never again held hostage to a single supplier of energy.” Allowing for continued LNG exports can deliver environmental benefits and improve energy security abroad, as well as reduce the U.S. trade deficit. DOE plays a critical role in seeing these benefits continue.

## **Social Cost of Carbon**

IPAA has raised concerns, primarily in regulatory proceedings at EPA, that the Social Cost of Carbon (SCC) can be misused to justify regulations that would not meet a traditional cost/benefit analysis. Without a transparent process for reviewing the SCC, federal agencies, including DOE, should no longer rely on the SCC. IPAA supports the comments of the American Petroleum Institute (API) in this proceeding, in which API argues that the SCC should not be used or relied upon in any DOE rulemaking or policymaking until the SCC undergoes a more rigorous notice, review and comment process under the Administrative Procedure Act.

## **Limit Proposed Changes to EIA Form 914**

DOE’s Energy Information Administration (EIA) proposed on April 4 to expand its Form EIA-914, “Monthly Crude Oil, Lease Condensate, and Natural Gas Production Report.” One of the more significant changes would be the collection of crude oil and lease condensate stabilizer data in a new Section 5. As part of an Industry Coalition, IPAA filed comments on June 30, arguing “[w]e do not believe the current survey questions in this proposal to separate crude oil and lease condensate stabilizer activities will provide data that can be relied upon by EIA or other entities.” Specifically, the Industry Coalition noted that the instructions do not align with industry operations or terminology, which will lead to various interpretations by respondents if published and result in inconsistent and unreliable information. A copy of the Industry Coalition comments is attached.

IPAA supports the collection of data that can provide useful, accurate information without an undue burden on the industry respondents. The proposed Section 5 of Form EIA-014 does not meet this standard and should be pulled back.

IPAA looks forward to working with DOE as it works to reduce unnecessary burdens on oil and natural gas producers. Such efforts can achieve benefits in increased production of American oil and natural gas, improved air quality through greater use of natural gas for electricity generation, and benefits beyond our borders through LNG exports.

Respectfully submitted,

A handwritten signature in black ink that reads "Lee O. Fuller". The signature is written in a cursive style with a large, looping initial "L".

Lee O. Fuller  
Executive Vice President  
Independent Petroleum Association