August 8, 2017

Mr. Peter Tsirigotis
U.S. Environmental Protection Agency
Office of Air Quality Planning and Standards
Sector Policies and Programs Division (D205-01)
Research Triangle Park, NC 27711

Submitted at http://www.regulations.gov

Re: Comments on Proposed Rule: Oil and Natural Gas Sector: Emission Standards for New, Reconstructed, and Modified Sources: Stay of Certain Requirements
Docket No. EPA-HQ-OAR-2010-0505

Dear Mr. Tsirigotis,

We appreciate the opportunity to comment on the U.S. Environmental Protection Agency's (EPA's) proposed rule staying certain requirements of the Emission Standards for New, Reconstructed and Modified Sources in the Oil and Natural Gas Sector for two years.[1] As diversified, long-term investors with holdings in the U.S. oil and gas industry, we write to convey our opposition to EPA's proposal to reconsider and stay large portions of the currently effective performance standards for new and modified sources in the oil and natural gas sector, including the standards' cornerstone leak detection and repair requirements. These performance standards, which have been in effect since June 2016 and which were scheduled to require compliance by June 3, 2017, have already been delayed by EPA's decision published on June 5th, to stay large portions of the standards. We urge their implementation now.

As shareholders, we have a vested interest in the long-term success of the companies we are invested in. Measures to limit methane emissions are consistent with sound business practices and long-term company value. We see a viable role for natural gas in the transition to a lower carbon economy, but that role is dependent on low methane emissions across the natural gas supply chain. This point is emphasized by the International Energy Agency, which has stated that "the potential for natural gas to play a credible role in the transition to a decarbonized energy system fundamentally depends on minimizing [methane] emissions."[2] Unrestricted methane emissions harm natural gas's long term ability to compete with the rise of ever cheaper and cleaner forms of energy.

[1] 82 Fed. Reg. 27,645 (June 16, 2017).
[2] Faith Birol, "World Energy Outlook Special Report: Energy and Climate Change." International Energy Agency. IEA, June 15, 2015, *available at*
https://www.iea.org/publications/freepublications/publication/WEO2015SpecialReportonEnergyandClimateChange.pdf

Given the pervasive impacts of a warming climate, significant and "unhedgeable" economic risk is inherent in the threat of global warming. Reducing methane emissions now, from an important energy source like natural gas, is an important step in countering this long-term risk to the global financial system. While some companies are leading in the effort to reduce methane emissions, commonsense policies like those EPA proposes to delay are needed to ensure all in industry are tackling this problem on a level playing field.

The proposed stay of compliance deadlines, and the corresponding expected increase in methane emissions, constitute a clear and measurable harm not only to the climate, but also to investors who have positioned their portfolios with these regulations in mind. Upending the level playing field created by a set of uniform national standards will lead to unnecessary uncertainty for investors.

Far from damaging profitability, EPA's emissions control requirements recover a saleable resource and can generate positive economic returns. We speak regularly with oil and gas companies operating in the U.S., some of which are proactively tackling this issue and proving the cost-effectiveness of emission reduction measures that could and should be implemented by all in industry. In the U.S., 8 million metric tons of natural gas are emitted into the atmosphere each year[3] through uncontrolled leaks and intentional releases—this represents $1.5 billion worth of product. Regular Leak Detection and Repair (LDAR) is essential, because direct measurement is the most important operational practice to identify and fix accidental leaks. Companies that have adopted a regular LDAR program have found these best practices have led to a significant reduction in leaks over time. Further delaying measures that aim to address this resource waste represents an enormous financial loss for industry, consumers, and investors alike.

Delaying these crucial standards through the proposed stay, and a reconsideration of major emissions control provisions would harm the climate, undermine public health, weaken our investment portfolios, and ultimately, hurt the economy. It will result in the waste of substantial volumes of saleable natural gas, jeopardize thousands of jobs in the methane mitigation industry, and weaken the United States' financial and diplomatic position on the world stage—all measurable harms to investors in the sector. We strongly urge EPA not to adopt the proposed rule staying these provisions.

Respectfully submitted,

[3] "Inventory of U.S. Greenhouse Gas Emissions and Sinks (1990-2015)," *United States Environmental Protection Agency*, April 15, 2017, https://www.epa.gov/sites/production/files/2017-02/documents/2017_complete_report.pdf

Signatories to the letter, 66 organizations representing $270 billion assets under management:

Adrian Dominican Sisters
Aquinas Associates
As You Sow
Boston Common Asset Management, LLC
Boston Trust/Walden Asset Management
Caisse de Prévoyance des Interprètes de Conférence (CPIC), Switzerland
CAP Prévoyance, Switzerland
CIEPP - Caisse Inter-Entreprises de Prévoyance Professionnelle, Switzerland
Conference for Corporate Responsibility Indiana and Michigan
Congregation of St. Joseph
Congregation of the Passion Holy Cross Province
Dana Investment Advisors
Daughters of Charity, Province of St. Louise
Dignity Health
Dominican Sisters of Hope
Dominican Sisters of Peace
Dominican Sisters of San Rafael
Etablissement Cantonal d'Assurance (ECA VAUD), Switzerland
Ethos Foundation, Switzerland
Everence and the Praxis Mutual Funds
Franciscan Sisters of Allegany NY
Franciscan Sisters of Perpetual Adoration
Friends Fiduciary Corporation
Green Century Capital Management
Maryknoll Sisters
Mennonite Education Agency
Mercy Health
Mercy Investment Services
Midwest Coalition for Responsible Investment
Miller/Howard Investments, Inc.
NEI Investments
Nest Sammelstiftung, Switzerland
Northwest Coalition for Responsible Investment

Pensionskasse Caritas, Switzerland
Pensionskasse der Stadt Winterthur, Switzerland
Pensionskasse Unia, Switzerland
Prévoyance Santé Valais (PRESV), Switzerland
prévoyance.ne, Switzerland
Priests of the Sacred Heart, USA Province
Prosperita Stiftung für die berufliche Vorsorge, Switzerland
Region VI Coalition for Responsible Investment
Religious of the Sacred Heart of Mary
Robeco
School Sisters of Notre Dame - CPP Corporate Responsibility Committee
School Sisters of Notre Dame Cooperative Investment Fund
School Sisters of St. Francis
Seventh Generation Interfaith Inc.
Sisters of Charity of Cincinnati
Sisters of Charity of Nazareth
Sisters of Charity, Halifax
Sisters of Saint Joseph of Chestnut Hill, Philadelphia, PA
Sisters of St. Dominic of Caldwell NJ
Sisters of St. Francis of Philadelphia
Sisters of St. Joseph of Orange
Sisters of the Good Shepherd
Sisters of the Humility of Mary
Sisters of the Presentation of the Blessed Virgin Mary, New Windsor, New York
Sisters of the Presentation of the BVM, Aberdeen SD
Stiftung Abendrot, Switzerland
Sustainability & Impact Group, Rockefeller & Co.
The Sustainability Group of Loring, Wolcott & Coolidge
Trillium Asset Management
Trinity Health
Tri-State Coalition for Responsible Investment
Ursuline Sisters of Tildonk, U.S. Province
Zevin Asset Management