



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OCT 10 2014

OFFICE OF
AIR AND RADIATION

MEMORANDUM

SUBJECT: Response to the Office of Inspector General (OIG) Final Report No. 14-P-0324, "*Improvements Needed in EPA Efforts to Address Methane Emissions From Natural Gas Distribution Pipelines,*" dated July 25, 2014

FROM: Janet G. McCabe *JG722*
Acting Assistant Administrator

TO: Carolyn Copper
Assistant Inspector General
Office of Inspector General

I appreciated the opportunity to meet with you on September 25, 2014, to discuss the unresolved recommendations identified in the Final Report "Improvements Needed in EPA Efforts to Address Methane Emissions From Natural Gas Distribution Pipelines." This discussion was a useful forum to clarify the nature of the OIG's recommendations and OAR's proposed responses. Per our discussion, below are the specific corrective action plans that OAR will implement to address Recommendations 3, 4, and 5.

In response to Recommendation 3, OAR commits to consider and, as appropriate, develop a performance measure or goal for voluntary emission reductions through the future Gas STAR Gold Program. As part of the President's Climate Action Plan: Strategy to Reduce Methane Emissions, released in March 2014, EPA has proposed to develop a new, enhanced voluntary program ("Gas STAR Gold") that will build upon and complement the current voluntary Natural Gas STAR Program. As part of this program development process, EPA will evaluate and, as appropriate, develop program emission reduction targets. Through this process, EPA will consider the relevance of sector-specific goals, including for the distribution sector, and establish such goals as appropriate. Once the Gas STAR Gold program is operational, the public will be able to follow its progress on EPA's website. The planned completion date for this action is Fiscal Year (FY) 2016, Q4.

In response to Recommendation 4, OAR agrees and commits to assessing progress in reducing emissions from distribution pipelines through our planned future voluntary Gas STAR Gold program. OAR will continue to assess information gleaned through collaboration with other Federal agencies, states, and other entities under the auspices of the President's Strategy to Reduce Methane Emissions. Based on these collective inputs and in keeping with its programmatic function, OAR will assess potential opportunities or actions that could be taken to further address emissions from the distribution sector. The planned completion date for this action is Fiscal Year (FY) 2016, Q4.

Finally, in response to Recommendation 5, OAR agrees and commits to continue our work through our U.S. Greenhouse Gas Inventory, expert and public review processes to evaluate new data and information on methane emissions. In the Inventory itself, we will also continue to transparently discuss our review of all relevant data and document planned improvements for future Inventories for stakeholder input. As part of our annual process for improving the U.S. Greenhouse Gas Inventory, we commit to reviewing upcoming studies from the Gas Technology Institute and Environmental Defense Fund, as well as other relevant reports that may provide new data and information on methane emissions from distribution systems. The planned completion date for this action is Fiscal Year (FY) 2016, Q3, pending the availability of study results.

Again, I appreciate the opportunity to meet with you and have our offices to come to an understanding on the unresolved recommendations in the final report. Please feel free to contact me should you have additional questions.

cc: Elizabeth Shaw
Sarah Dunham
Paul Gunning
Pamela Franklin
Suzanne Waltzer
Maureen Hingeley
Arthur Elkins
Rick Beusse
Erica Hauck