



CREATING GOOD JOBS, A CLEAN ENVIRONMENT, AND A FAIR AND THRIVING ECONOMY

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## **Response to the Environmental Protection Agency's Request for Information on the Methane Emissions Reduction Program**

The BlueGreen Alliance unites America's labor unions and environmental organizations to solve today's environmental challenges in ways that create and maintain quality jobs and build a stronger, fairer economy. Our partnership is firm in its belief that Americans don't have to choose between a good job and a clean environment—we can and must have both. We appreciate the opportunity to inform and respond to the EPA's RFI on the Methane Emissions Reduction Program (MERP). The historic level of funding that the Inflation Reduction Act allocated to the Methane Emissions Reduction Program presents numerous opportunities for the EPA to make investments that will take steps to prioritize workers, communities, and the environment.

Reducing methane emissions in the United States is an example of how America's environmental challenges can also be economic opportunities. Investing in methane mitigation will not just make workers and communities around the facilities safer and healthier, but will also generate and support quality, family-sustaining jobs. Implementing MERP is a win-win-win situation. With this program, workers and communities will be protected, jobs will be created, and our nation will take another concrete step toward reducing air pollution and the emissions driving climate change.

### ***Incentives Program***

***1. The Methane Emissions and Waste Reduction Incentive Program provides up to \$1.55 billion to EPA to issue grants, rebates, contracts, loans, and other activities for a number of statutorily specified purposes. How can EPA structure the financial***

***and technical assistance to ensure the greatest possible public health and environmental impact?***

## **Deploying Cost-Efficient Technologies to Control Leaks**

Low-cost solutions already exist to plug industrial methane leaks and provide more energy to homes and businesses.<sup>1</sup> To achieve the greatest possible gains for public health and the environment, the EPA should direct its financial assistance towards the deployment of these technologies in the oil and natural gas sector.

A 2014 report from ICF International, *Economic Analysis of Methane Emission Reduction Opportunities in the U.S. Onshore Oil and Natural Gas Industries*, explores what sources are responsible for a large portion of the emissions at existing facilities and what existing technologies can be used to reduce them. One key finding was that energy sector methane emissions could be cut dramatically—40%—at an average annual cost of less than one cent per thousand cubic feet of produced natural gas by adopting available emissions-control technologies and operating practices. These costs could be further offset by recovering the full market value of recaptured natural gas.<sup>2</sup> Even in times when the market price of gas fluctuates downwards, methane emissions mitigation remains a cost-effective approach to combating climate change. ICF found that even at a low gas price of \$2 per thousand cubic feet, the cost of methane emissions mitigation is still just over one cent per thousand cubic feet of natural gas produced.<sup>3</sup>

As the ICF International report notes, 80% of methane emissions are produced by 20% of the products and processes. The actions that we can take to reduce the largest leak areas by volume include:

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<sup>1</sup> Datu, *Find, Measure, Fix: Jobs in the U.S. Methane Mitigation Industry*, July 2021. Available online: <https://www.edf.org/sites/default/files/content/FindMeasureFixReport2021.pdf>.

<sup>2</sup> ICF International, *Economic Analysis of Methane Emission Reduction Opportunities in the U.S. Onshore Oil and Natural Gas Industries*, March 2014. Available online: [https://www.edf.org/sites/default/files/methane\\_cost\\_curve\\_report.pdf](https://www.edf.org/sites/default/files/methane_cost_curve_report.pdf).

<sup>3</sup> EDF, “Do Lower Gas Prices Alter Conclusion of the ICF Study on Methane Reduction Costs?”, March 2016, Available online: <https://blogs.edf.org/energyexchange/2016/03/21/do-lower-gas-prices-alter-conclusion-of-the-icf-study-on-methane-reduction-costs/>.

- Improving leak detection and repair of fugitive emissions (“leaks”) at facilities and gas compressors;
- Reducing venting of associated gas; and replacing high-emitting pneumatic devices, including pumps and bleeding equipment.<sup>4</sup>

Controlling these leaks is critical to generating broad positive impacts for public health and the environment. Of the greenhouse gasses (GHGs) being emitted, methane is one of the most potent, with one ton of methane in the atmosphere having 81-83 times the warming impact of a ton of carbon dioxide (CO<sub>2</sub>).<sup>5</sup> In the oil and gas sector methane is emitted along with other dangerous compounds and carcinogens like benzene, formaldehyde, and acetaldehyde, from facilities such as wells, compressor stations, and processing plants.<sup>6</sup> The communities facing the greatest public health risk from these harmful air pollutants are in states with the greatest amount of oil and gas development including New Mexico, Texas, Colorado, Pennsylvania, Oklahoma, Louisiana, West Virginia, and North Dakota. Across the country, nearly 14 million people living in one of 236 counties in 21 states face a cancer risk greater than the EPA’s one-in-a-million threshold for concern due to oil and gas alone.<sup>7</sup> Methane emissions reductions can significantly improve air quality for these communities, and they can avoid 255,000 premature deaths and more than half a million asthma-related emergency room visits globally each year.<sup>8</sup>

In large part, these emissions occur due to outmoded practices and obsolete technology utilized by the industry in the gathering, transmission, production, and processing of natural gas. Investing in the deployment of proven technologies to control and mitigate fugitive emissions would have a positive impact for the health of workers, communities, and the environment.

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<sup>4</sup> Ibid.

<sup>5</sup> U.S. EPA, Understanding Global Warming Potentials, May 2022. Available online: <https://www.epa.gov/ghgemissions/understanding-global-warming-potentials>.

<sup>6</sup> Clean Air Task Force, *Fossil Fumes (2022 Update): A public health analysis of toxic air pollution from the oil and gas industry*, September 2022. Available online: <https://cdn.catf.us/wp-content/uploads/2016/06/14175846/fossil-fumes-report-2022.pdf>

<sup>7</sup> Ibid.

<sup>8</sup> UN Environment Programme, *Global Methane Assessment: Benefits and Costs of Mitigating Methane Emissions*, May 2021. Available online: <https://www.unep.org/resources/report/global-methane-assessment-benefits-and-costs-mitigating-methane-emissions>

## **Incorporate technical assistance and capacity building into program design.**

Communities often have goals and a clear desire to engage in methane mitigation projects, but are not sufficiently empowered or equipped to lead implementation of those projects, build the financial resources necessary to start and sustain community-wide efforts, or attract expertise and resources needed to champion efforts. EPA should directly address these issues by incorporating the necessary capacity building, technical assistance, and community and worker engagement support into the program design. EPA should provide technical assistance at the community level to educate community members on methane leaks and to connect interested communities with opportunities to play a direct role in emissions monitoring and reporting, as well as the development of remediation projects, by providing points of contact who can advise communities that apply for this program on procedures and implementation requirements. In addition, the EPA's financial and technical assistance should prioritize capacity-building for workers and local labor unions to function as emissions monitors.

### ***Incentives Program***

***5. What should EPA consider in the design of the program to encourage grantees to support high-quality jobs and adhere to best practices for labor standards, consistent with guidance such as Executive Order 14063 on the Use of Project Labor Agreements and the Department of Labor's Good Jobs Principles?***

**High-Road Wages.** Any construction funded through this program must adhere to Davis Bacon prevailing wage provisions. Higher wages can attract high-road contractors employing skilled professionals who perform high-quality work, helping projects meet construction milestones on-time and safely, without increasing total construction costs. Maintaining high-road labor standards and a highly skilled workforce can elevate a project's positive environmental and public health outcomes. Studies have shown that relying on a less-skilled workforce for energy projects can have measurable reductions in their overall

benefits.<sup>9</sup> Investing in a qualified workforce not only ensures the full potential of EPA's investment but also that the MERP can achieve the broadest possible reduction in methane emissions. Whether it is monitoring methane pollution or deploying low-emissions technology to the oil and gas infrastructure, it is important to ensure a qualified workforce does the job properly the first time. Higher wages can have long-term economic benefits to a community and create a long-standing professional workforce for future projects. At the same time, Davis Bacon and related acts should be considered the floor of what the EPA can do to ensure job quality through this program.

**Project Labor Agreements (PLAs).** Construction projects not subject to EO 14063 can still benefit from a PLA. PLAs control the terms and conditions of employment of workers on specific construction projects, including wages, hours, working conditions, and dispute resolution methods. These agreements can be utilized at the state and local level to ensure high-road labor standards and timely projects.

**Community Benefits Agreements (CBAs) and Community Workforce Agreements (CWAs).** A Community Workforce Agreement (CWA) or Community Benefit Agreement (CBA) is an enforceable contract, supplemental to a PLA or collective bargaining agreement that reflects community input and outlines benefits for the community where the project is happening. Community Workforce Agreements (CWAs) and Community Benefit Agreements (CBAs) are beneficial tools for communities when included in PLAs. They can be more expansive in scope, and are sometimes negotiated with both union and community partners.

CWAs frequently include local hire provisions, targeted hire of low-income or disadvantaged workers. **Targeted Hire** provisions—often a key feature of CWAs—mandate or incentivize the hiring of workers on a project from certain communities, which may include women, people of color, veterans, the formerly incarcerated, indigenous people, economically disadvantaged communities, communities heavily impacted by climate change or climate change policies, workers dislocated by the energy transition, and many others. These

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<sup>9</sup> Berkeley Labor Center, *EE Program Workforce Guidance Plan*, May 2014. Available online: <http://laborcenter.berkeley.edu/workforce-issues-and-energy-efficiency-programs-a-plan-for-californias-utilities/>

communities may be targeted through contracting requirements, hiring requirements, or the use or establishment of pre-apprenticeship programs. Ideally, these provisions establish long-lasting pipelines for members of disadvantaged or underrepresented communities to access good jobs and careers in the clean economy.

**Local Hire** provisions mandate or incentivize the hiring of workers from within the state or local community. Without this provision, work crews from out of state can be brought in, minimizing the job creation benefits for the local community. Local hire provisions may mandate a certain percentage of local workers be used, they may offer incentives to hire local workers, or they may simply require that local employment impacts are considered alongside other benefits of projects being evaluated. Entities receiving funds should work to identify existing community networks for recruitment of disadvantaged workers.

One of the main mechanisms for building career pathways is through **registered apprenticeship, pre-apprenticeship, and other union-affiliated training programs**. Pre-apprentice programs aim to ensure that workers can qualify for entry into an apprenticeship program and have the skills and support they need to succeed. These programs are generally designed to target certain populations or demographics such as low-income workers, workers of color, women, and other marginalized communities. Additionally, many unions offer training throughout a member's career to enable them to stay up to date with changes in technology. The most successful pre-apprenticeship programs are those affiliated with registered apprenticeships or other contractually agreed on-the-job training programs. EPA should require or incentivize pre-apprenticeship opportunities targeting disadvantaged communities that are linked to registered apprenticeship programs. EPA should also award funding to entities that integrate pre-apprenticeships with community-based "wrap around" services to maximize retention of disadvantaged and underrepresented workers as they enter careers.

Apprenticeships are registered through a state apprenticeship agency or through the Federal Department of Labor. Registered apprenticeships are paid positions that combine on-the-job training with classroom instruction in a

trade. Construction unions operate robust registered apprenticeship programs while industrial unions work with employers on joint labor management training programs that also provide a combination of classroom and on-the job skills training.

EPA should consider additional high-road labor standards, such as union neutrality, occupational health and safety standards and programs, avoidance of misclassification, excess use of contracted or temporary employees, and omitting or limiting drug testing or background checks. In addition, EPA should engage with the U.S. Department of Labor (DOL), including the Employment and Training Administration (ETA) and Good Jobs Initiative in particular, to establish these standards and determine what information and tools DOL can provide to support the identification and categorization of job opportunities for local workers.

### ***Incentives Program***

#### ***6. What metrics should this program use for measuring success and ensuring accountability?***

#### **Require robust reporting and community engagement**

Whether at the federal or local level, entities should be able to show that they've engaged in a robust, multi-stakeholder process to ensure buy-in and explicit support from workers and community members. Tribal consultation should also occur when appropriate.

The EPA should also advance community engagement and accountability under MERP by implementing community benefit plans (CBP), such as those included in the Department of Energy's hydrogen hub FOA,<sup>10</sup> for projects funded by the program that include the following principles:

- **Social Characterization Assessment.** A brief writeup of a social characterization assessment of the community (which describes community dynamics, decision-making processes, etc.).

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<sup>10</sup> OCED, *Bipartisan Infrastructure Law: Additional Clean Hydrogen Programs: Clean Hydrogen Hubs Funding Opportunity Announcement*. November 2022. Available Online: <https://oced-exchange.energy.gov/Default.aspx#Foald4dbbd966-7524-4830-b883-450933661811>

- **Initial Stakeholder Analysis Summary.** A description of how the project identified stakeholders; what sectors, labor unions, communities, organizations, etc. the stakeholders and project represents; and current or anticipated level of engagement (e.g., advisory committee, working group member, active public participant). Provide an assessment of existing labor and community support for and/or concerns with the project, including a description of steps taken to gather this information.
- **Engagement Methods and Timeline.** Applicants should develop an engagement schedule which includes when and how they will engage stakeholders, workforce organizations including labor unions, and communities, as well as the objectives for the engagement. This should include a description of specific engagement methods (e.g., listening sessions, town halls, open houses, mediated discussions) which should be matched to project phases. Methods should also be matched to goals, which may include learning about community and labor concerns and interests, seeking input, addressing input and concerns, and providing information, depending on project phase. The EPA should strongly encourage applicants to describe efforts that will be taken to address public safety perceptions. Applicants should describe how they will extend these methods to include traditionally excluded stakeholders. If awarded, awardees will work in conjunction with the Department of Energy to develop a Tribal engagement plan as appropriate.
- **Two-way Engagement Statement.** The application should include a statement discussing how the project incorporates community input for the project and the extent to which the host community or communities have already indicated support for the project. The statement should list the points in the phases of the project where engagement can impact project decisions or characteristics. This section should also include a discussion of community participation and access to monitoring data.
- **Workforce and Community Agreements Statement.** As noted above, the application should include a statement describing any plans to



negotiate a Community Benefits Agreement, Good Neighbor Agreement, Project Labor Agreement, Community Workforce Agreement, and/or other collective bargaining agreements. Such agreements facilitate community and labor input and social buy-in, identify how concerns will be mitigated, and specify the distribution of community and economic benefits, including job quality, access to jobs and business opportunities for local residents, and mitigating community harms, thus reducing or eliminating these types of risks.

- **Engagement Evaluation Strategy.** The application should include a description of plans for activities to evaluate the success of stakeholder engagement, including evaluating community and labor stakeholder perceptions of the progress.
- **Resource Summary.** The application should describe the project resources dedicated to implementing the plan including staff, facilities, capabilities, and budget that will support implementing the plan.

EPA should prioritize projects that show evidence of early consultation with workers and disadvantaged communities to ensure that the projects benefiting from this program support their environmental and economic needs. Prioritizing public input and community participation is key in determining which projects are chosen and how they are implemented.

It is imperative that the EPA incorporate input from Tribes, communities of color, low-income communities, labor unions, and communities that have suffered from deindustrialization, energy transition, and environmental injustice into the selection of projects. The Biden Administration has taken action to prioritize equity in the structure and implementation of federal programs by launching the Justice40 initiative. This initiative calls for a minimum of 40% of all benefits of climate and clean energy federal investments to go to disadvantaged communities that are marginalized, underserved and overburdened by pollution. We encourage EPA to add the Methane Emissions Reduction Program to the list of programs covered by the Justice40 Initiative. Furthermore, BGA encourages EPA to consider 40% of investments to be the

floor—not the ceiling—for funding to disadvantaged communities. EPA should utilize the environmental screening tool developed by the Council on Environmental Quality (CEQ)<sup>11</sup> and the EPA's own EJ Screen to identify communities affected by legacy pollution from the oil and gas industry. Finally, EPA could maximize resources going to energy transition communities and disadvantaged communities via coordination with upcoming EPA Thriving Communities Technical Assistance Centers.

EPA may expand the benefits of this program by incorporating reporting and audit metrics to ensure that low income and disadvantaged communities are truly seeing the benefits of this funding and to ensure workforce outcomes and benefits are met and delivered. Workers in the industry are in an optimal position to play a direct role in emissions monitoring because they already have the skills and experience needed to conduct effective monitoring. EPA should collect information on the number of local workers that contractors employ in order to assess the success of this aspect of the program. This could include tracking anonymized disadvantaged worker participation (recruitment, retention, and advancement), in coordination with the DOL. A key metric of success for EPA must be the implementation and enforcement of the labor and community standards we outlined in response to Question 5.

## **Clean up Pollution and Meaningfully Address Public Health**

Successful implementation of this program will be reflected in the number of projects funded that can address multiple issues at the same time. In addition to mitigating future emissions, this program has an opportunity to address the environmental and health burdens created by pollution. Across the country, nearly 14 million people living in one of 236 counties in 21 states face a cancer risk greater than the EPA's one-in-a-million threshold for concern due to oil and gas alone.<sup>12</sup> Furthermore, these health burdens fall disproportionately on

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<sup>11</sup> U.S. EPA, EPA Policy on Environmental Justice for Working with Federally Recognized Tribes and Indigenous Peoples, July, 2014. Available online: [https://www.epa.gov/sites/default/files/2017-10/documents/ej-indigenous-policy.pdf?VersionId=\\_fETfCeyPmIV.T5Fzt](https://www.epa.gov/sites/default/files/2017-10/documents/ej-indigenous-policy.pdf?VersionId=_fETfCeyPmIV.T5Fzt)

<sup>12</sup>Clean Air Task Force, *Fossil Fumes (2022 Update): A public health analysis of toxic air pollution from the oil and gas industry*, September 2022. Available online: <https://cdn.catf.us/wp-content/uploads/2016/06/14175846/fossil-fumes-report-2022.pdf>

disadvantaged communities. A 2018 study of EPA emissions data published in the American Journal of Public Health found that exposure to particulate matter air pollution is 1.35 times higher for all people living in poverty compared to the overall population. People of color were exposed to air pollution levels that were 1.28 times worse than the overall population. Black communities were 1.54 times more likely to have a higher burden of air pollution than did the overall population.<sup>13</sup>

In implementing this program, EPA should devote funding to support public health infrastructure in communities suffering from methane pollution. This could be achieved through a Community Benefit Agreement, as outlined in our response to Section 5. Communities may choose to invest in underfunded public health needs including resilience, public hospitals, nursing homes, or other sectors. Communities should have the final say on what best suits their health needs. For example, this could include directing support to community health workers which serve as a link between frontline communities and health systems that offer critical care. These workers can play a central role in improving public health outcomes in communities experiencing modern and legacy pollution by providing coordinated outreach that connects ailing residents to care.<sup>14</sup> This would be a way to deliver meaningful support to communities struggling with the health impacts of pollution, and would meet the broader goals of the Methane Emissions Reduction Program.

The Inflation Reduction Act also authorizes funding under the Methane Emissions Reduction Program to be used for environmental restoration, which may bring about broad benefits for public health and the environment. According to one 2021 study, restoration of land previously occupied by unplugged wells would not only improve regional food security, biodiversity, and environmental health, but it would also yield an average of 3-1 return on

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<sup>13</sup> American Journal of Public Health, "Disparities in Distribution of Particulate Matter Emission Sources by Race and Poverty Status," April 2018. Available online: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5844406/>

<sup>14</sup> Choi, Marie, Ameer Raval, Marguerite Young, and Sam Appel. "Resilience Before Disaster: The Need to Build Equitable, Community-Driven Social Infrastructure." Asian Pacific Environmental Network, September 2020. <https://apen4ej.org/resilience-before-disaster/>.

investment for every dollar spent.<sup>15</sup> Besides plugging wells and mitigating methane leaks, reclamation work may include the removal of production equipment and debris, investigation and remediation of soil and groundwater impacts, reclamation of well pads, cleanup of remote production areas and access roads, and installation of safety equipment. Full cleanup of these sites not only addresses the host of environmental and health problems associated with these unplugged wells but also frees up that land for new economic development opportunities.

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<sup>15</sup> Haden Chomphosy, William, Sofia Varriano, Luke H. Lefler, Varenya Nallur, Maureen R. McClung, and Matthew D. Moran. "Ecosystem Services Benefits from the Restoration of Non-Producing US Oil and Gas Lands." *Nature Sustainability* 4, no. 6 (2021): 547–54. <https://doi.org/10.1038/s41893-021-00689-4>.