

General Policy**Jackson Says Obama Environmental Policies Aim to Boost Jobs While Cutting Pollution**

By Rick Mitchell

PARIS—The Obama administration's recent proposal to set limits on greenhouse gas emissions from new fossil fuel-fired power plants and its support for production of natural gas and unconventional gas are part of a strategy to both reduce pollution and boost jobs by setting clear rules for the private sector, Environmental Protection Agency Administrator Lisa Jackson told BNA March 29.

The EPA on March 27 proposed limiting emissions from new fossil fuel-fired power plants to 1,000 pounds of carbon dioxide per megawatt-hour in what would be the first source-specific greenhouse gas emissions standards in the United States (59 DEN A-1, 3/28/12).

"The measure is intended to ... give the economy a strong signal that the reduction of greenhouse gas pollution is an important guidepost in designing the power generation of the future," said Jackson, who is in Paris to represent the United States at the March 29-30 Organization for Economic Cooperation and Development meeting of environment ministers.

The meeting has brought together top environmental officials from OECD's 34 member countries, which include the world's most advanced countries and major emerging economies, to discuss their recent environmental progress as well as how they plan to implement policy recommendations in the *OECD's Environmental Outlook to 2050: The Consequences of Inaction*, which was released March 15.

'Incredible Progress.'

The report warns that without major policy changes, the world's population and economic growth in the years leading to the mid-century are likely to contribute to catastrophic climate change, a doubling of premature deaths linked to air pollution, and growing health risks linked to toxic chemicals, particularly in emerging economies.

Jackson said OECD's green growth framework—which calls for countries to use environmental protection regulation, taxation, and other policy tools to spur economy-boosting innovation in the private sector—appeals to a wide range of countries, including one as developed as the United States.

She cited the administration's policy on automobiles—doubling fuel economy standards and also investing public funds to rescue the industry at the outset of the financial crisis—as an example of an Obama green-growth policy.

EPA's regulations and standards give automakers a strong set of rules, and certainty as to which kind of cars they need to design and build; federal financial help keeps the auto industry in business. "All three make that segment of our economy greener and saves and creates jobs," she said, adding that "the industry has made incredible progress."

Fracking 'Must Be Regulated.'

Jackson said President Obama's embrace of unconventional gas development will both increase jobs and significantly reduce greenhouse gas emissions if "it is done safely and responsibly" and does not mean the United States will back away from renewable energies.

Extraction of natural gas and oil deposits up to 3 kilometers (1.86 miles) below ground often requires hydraulic fracturing, or fracking, which injects a mix of water, sand, and chemical additives into layers of rock at high pressure. The process allows oil and natural gas to flow to a standard well.

The United States has dramatically increased its energy production, due in particular to production of unconventional horizontal gas and oil drilling that uses hydraulic fracturing to force rock formations to release natural gas. The International Energy Agency said recently that the United States is likely to become a net exporter of energy, due mainly to unconventional production.

However, environmental groups say that process can cause more environmental damage than conventional drilling, in particular through contamination of groundwater. "The fracking technology is becoming more and more widespread and must be regulated, and we intend to move forward on those regulations," said Jackson.

Regulation at State Level

Jackson said much of U.S. regulation of unconventional energy production will be at the state level, with some federal assistance.

EPA is in the middle of a two-year congressionally mandated study on the impact of hydraulic fracturing on drinking water. "It's a fairly specific charge, but we are looking at it from a life-cycle perspective. We've done public and peer-reviewed scoping of everything from the plan of attack to the scope of work and now the work that is continuing," Jackson said.

The agency recently released for public comment standards for emissions from oil and gas development, particularly aimed at leaks of volatile organic compounds during the drilling process that can create localized or regional pockets of elevated ozone levels. So-called green finishing of wells can ensure that these compounds do not leak. "Because methane, the actual product, is also recovered, [the method] actually turns out to be quite cost-efficient," she said.

EPA plans to begin "the long process" of considering national standards on wastewater from the fracking process, which contains chemicals from the fracking fluids as well as from rock formations. "Happily, much of the industry is moving towards reuse of water because the quantity of water needed in fracking is significant," she said.

Fracking Chemical Disclosure

Jackson said EPA is progressing in work on possible reporting requirements for chemicals used in fracking, as 120 public and environmental organizations had petitioned the agency to do in 2011 (227 DEN A-7, 11/25/11).

She noted that the Department of Interior has also announced its intention to put out rules on disclosure of fracking chemicals on public lands (50 DEN A-1, 3/15/12).

"We believe that since much of the same industry is on public and private lands, this will build on efforts by many states and by industry itself to do self-disclosure," Jackson said.

BNA Snapshot

EPA Administrator Jackson on Environmental Policy

Key Development: EPA Administrator Lisa Jackson, attending an OECD meeting, talks to BNA about U.S. green growth policies in the automobile, utility, and energy sectors, including efforts to regulate hydraulic fracturing.

What's Next: OECD Ministers are discussing their countries' environmental progress as well as plans to implement OECD environmental policy recommendations.

For More Information

More information on the OECD environmental outlook is available at http://www.oecd.org/document/11/0,3746,en_2649_37465_49036555_1_1_1_37465,00.html.

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