

February 10, 2023

Michael S. Regan  
Administrator  
U.S. Environmental Protection Agency

*Submitted via Regulations.gov*

Docket No. EPA-HQ-OAR-2021-0317

**Re: Comments on Proposed Rule: Standards of Performance for New, Reconstructed, and Modified Sources and Emissions Guidelines for Existing Sources: Oil and Natural Gas Sector Climate Review**

Dear Administrator Regan,

Boston Trust Walden Company is an independent, employee-owned investment management firm with approximately \$13.6 billion in firm-wide assets under management.<sup>1</sup> We have been integrating environmental, social, and governance (ESG) factors into investment management decisions since 1975—one of the longest track records of any institutional manager.

At Boston Trust Walden, we seek to invest client assets in enterprises with strong financial underpinnings, sustainable business models, prudent management practices, and a governance structure that supports these objectives. As part of our investment decision-making process to identify higher quality companies with sustainable business models, we evaluate environmental, social, and governance (ESG) factors. We also employ a multi-faceted approach to advance sustainable business practices at the companies in which we invest, combining ESG analysis with direct company engagement, shareholder resolutions, proxy voting, public policy advocacy, and multi-stakeholder collaborations. We believe it is this blend of ESG integration and active ownership that enables us to more effectively manage risk and, within our overall framework to identify higher quality companies, helps produce attractive, long-term investment results on behalf of our clients.

We also wish to share that Boston Trust Walden is a signatory to the Net Zero Asset Managers initiative (NZAM), among more than 301 investor signatories representing \$59 trillion in assets, committed to support the Paris Agreement's goal of limiting global average temperature increases to well below 2 degree Celsius above pre-industrial levels, with the ultimate aspiration of limiting warming to 1.5 degrees Celsius and achieving net zero greenhouse gas (GHG) emissions by 2050 or sooner.

Boston Trust Walden recognizes the changing climate as an extraordinary environmental challenge with far-reaching economic, environmental, and societal implications that creates risks and opportunities for companies and investors alike. As we consider these potential, portfolio-wide climate impacts, we also recognize there are key, near-term solutions that can help address this challenge — including stronger regulation of methane emissions from the oil and gas industry.

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<sup>1</sup> Includes assets managed by Boston Trust Walden Company and its wholly owned investment adviser subsidiary, Boston Trust Walden Inc. as of December 31, 2022.

Near-term cuts of methane emissions are critical to slowing global temperature rise and meeting the goals of the Paris Agreement. Methane is a potent greenhouse gas that traps over 80 times more heat than carbon dioxide, on average, over a 20-year period and has been identified as a key driver of climate change.<sup>2</sup> Further, the US oil and gas sector is the second largest industrial source of methane emissions.<sup>3</sup> Thus, strong regulations to limit methane pollution from the oil and gas industry in the short term can have immediate impacts and help mitigate the most catastrophic effects of climate change.

Additionally, methane emissions from the oil and gas industry pose safety risks to workers and local communities. These emissions can compromise ground-level air quality and increase respiratory illness and other health issues, disproportionately affecting vulnerable populations located near oil and gas facilities.<sup>4,5</sup>

Boston Trust Walden welcomes the EPA's updates to the initial draft rule from 2021 and is pleased to see that many of the key provisions have been maintained.<sup>6</sup> The standards laid out in the EPA's supplemental proposal are an important step in addressing methane emissions from the oil and gas industry.

Regarding the supplemental proposal, we urge the EPA to finalize strong methane emission performance standards that:

- i. Maintain strengthened provisions that require regular monitoring at all sites with leak-prone equipment, including high-polluting, smaller wells, while providing flexibility for compliance by allowing advanced technologies to be used if they deliver equal or better reductions;
- ii. Maintain strong provisions to phase out polluting pneumatic controllers and pumps in favor of zero-emitting alternatives;
- iii. Revise the proposed framework to address flaring by ensuring that operators at wells capture associated gas and limit flaring only to instances in which it is necessary for safety or maintenance reasons, in line with Colorado and New Mexico's methane regulations; and
- iv. Establish a transparent, credible, and empirically based methane emissions reporting framework to improve the accuracy and credibility of reported methane emissions data, and enable us, as investors, to clearly differentiate between leaders and laggards.

Recognizing the role strong federal methane regulations play in providing regulatory certainty, we encourage the EPA to issue the most comprehensive methane standards possible. Thank you for your consideration.

Sincerely,



Amy D. Augustine  
Director of ESG Investing



Laura Devenney  
Senior ESG Research Analyst

<sup>2</sup> <https://www.reuters.com/business/environment/save-planet-focus-cutting-methane-un-climate-report-2021-08-09/>

<sup>3</sup> <https://www.epa.gov/ghgemissions/overview-greenhouse-gases#methane>

<sup>4</sup> <https://www.psehealthyenergy.org/our-work/publications/archive/methane-and-health-damaging-air-pollutants-from-the-oil-and-gas-sector-bridging-10-years-of-scientific-understanding/>

<sup>5</sup> <https://cdn.catf.us/wp-content/uploads/2016/06/14175846/fossil-fumes-report-2022.pdf>

<sup>6</sup> <https://www.epa.gov/controlling-air-pollution-oil-and-natural-gas-industry/epa-proposes-new-source-performance>