

September 4, 2020

The Railroad Commission of Texas  
Attention: Rules Coordinator  
PO BOX 12967  
Austin, Texas 78711-2967

Filed Via Email to [rulescoordinator@rrc.texas.gov](mailto:rulescoordinator@rrc.texas.gov)

Re: bp and Shell comments for proposed amendment to the Statewide Rule 32 Exception Data Sheet to improve the effectiveness of the RRC's Rule 32 exception program

BPX Operating Company ("bp") and SWEPI LP dba Shell Western E&P ("Shell") appreciate the opportunity to submit the following joint comments to the Railroad Commission of Texas on the proposed amendment to the Statewide Rule 32 Exception Data Sheet. Both bp and Shell appreciate the willingness of the Commission to work with operators and industry trade associations, including the collaborative work of the Texas Methane and Flaring Coalition (TMFC), to identify, assess, and recommend opportunities and best practices to improve data quality and reduce flaring in Texas.

We support the initial findings and recommendations of the TMFC and applaud the Commission's effort to revise and update Statewide Rule 32 specific to the exception data sheet. Our companies believe reducing flaring in Texas is an operational and environmental imperative and we look forward to working with all stakeholders to deliver material and measurable results.

As supporters of the World Bank's Zero Routine Flaring initiative, we seek the elimination of routine flaring of natural gas globally. And in Texas, where there is a history of industry innovation and leadership, we believe there is a real opportunity for the state to set the bar for others to follow. We encourage the Railroad Commission of Texas to support an ambition of zero routine flaring in Texas.

We offer four guiding principles, attached to this letter, that the Railroad Commission could consider as a policy framework to support the achievement of this ambition. These principles include:

- (1) **Incentivizing continuous improvement** efforts that link ambitions to real outcomes by measuring interim and long-term progress.
- (2) **Improving flaring data** per the recommendations of the TMFC to enhance transparency and inform progress.

- (3) **Enhancing regulatory oversight** through standards and regulatory mechanisms that incorporate assurances to reduce flaring.
- (4) **Facilitating collaboration with midstream entities** that fosters collaborative action, which is essential to ensure sufficient midstream infrastructure is in place and available.

We look forward to working with the Commission and all stakeholders to address routine flaring in Texas and welcome the opportunity to build upon the work that is already underway.

Respectfully,

David Lawler  
Chairman and CEO, BP America Inc.

Gretchen Watkins  
President, Shell Oil Company

## **An Ambition Towards Zero Routine Flaring in Texas: Four Guiding Principles**

*Our companies and partners encourage the Railroad Commission of Texas (RRC) to support an ambition for zero routine flaring. We encourage RRC to consider the 4 guiding principles below:*

1. **Incentivize Continuous Improvement.** Reduction goals will help link ambitions to real outcomes by measuring interim and long-term progress through continuous improvement efforts. Goals can move progressively toward an ambition of zero routine flaring.<sup>1</sup>
2. **Improve flaring data.** Enhancing the quality of flaring data enables and credibly informs progress towards meeting a zero-routine flaring ambition. Building on the Texas Methane and Flaring Coalition (TMFC) data [recommendations](#), flaring data should be complete and transparent, accessible and usable to all stakeholders through the RRC's new data visualization programs, and verified through field inspections and auditing processes that compare permit conditions to reported volumes.
3. **Enhance Regulatory Oversight.** We encourage RRC to develop regulatory mechanisms that strengthen and improve processes and incorporate assurances to reduce routine flaring. Justifications for flaring exception requests should be categorized, tallied, and tracked by operator with the goal of RRC implementing programs that incentivize equipment enhancements, pipeline modifications, or alternative pipeline connections. Regulations should be designed to achieve our stated ambition in a timely manner.
4. **Midstream collaboration.** Coordination across the upstream and midstream sectors is essential to ensure sufficient midstream infrastructure is in place and available. The RRC can proactively convene cross-sector roundtables to identify best practices, discuss pragmatic solutions to shared challenges, and foster collaborative action.

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<sup>1</sup> Published in February 2020, Commissioner Sitton's [assessment](#) of flaring intensity in Texas provides an example of a "flaring intensity" approach toward reducing flared gas.