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Pfluger building energy bill support

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Tim Fischer/Midland Reporter-Telegram Rep August Pfluger speaks during the Chamber of Commerce 2022 State of Midland luncheon. He said during the recent Oilfield Strong webinar he continues to build support for industry legislation.

As the congressman representing a significant chunk of the Permian Basin, Rep. August Pfluger has authored several pieces of legislation he designed to protect the region's oil and gas industry.

His "Midland Over Moscow" legislation would prioritize domestic oil and natural gas production over foreign sources. His most recent, "Protecting the Permian Basin" would repeal the methane fees — which he calls a natural gas tax — included in the Inflation Reduction Act.

That act "is a terrible piece of legislation" that would do nothing to reduce inflation, the Republican said during the monthly Oilfield Strong webinar presented by OTA Environmental Solutions.

He told moderator Grant Swartzwelder, OTA president, he is working to build support for removing the methane fee, which will impose fees beginning at \$700 and rising to \$1,500 per ton of methane in excess of 25,000 tons produced by onshore oil and gas production facilities. He is seeking that support not only from fellow Republicans, but also Democrats.

"What I want to say, especially to my Democratic colleagues, is when you look at US natural gas, it's 40% cleaner than gas from Russia. We are more efficient than any other country and we've reduced emissions to levels the Paris Accords could only dream of getting to."

Supporting U.S. energy is a matter of supporting national security, he said.

While he is convinced the Biden administration is attacking the industry through legislation like the methane fee, regulatory actions and executive orders, he sees some hope.

He applauded the U.S. Supreme Court's ruling limiting the Environmental Protection Agency's authority in a case from West Virginia. He said he and others concerned about over-regulation of the oil and gas industry will use that ruling as a precedent opposing regulations from the Securities and Exchange Commission on environmental reporting or under the Endangered Species Act.

The recent announcement the EPA Administrator may list the Permian Basin as a nonattainment area failing to reduce methane emissions below a certain level is a huge threat, Pfluger said. Not only to the oil and gas industry but to farmers and ranchers who would also have to face what he called mountains of paperwork and investment in monitoring technology.

"It's very dangerous because these are policies legislated by unelected bureaucrats" who are unaccountable to voters, he said.

"Every single agency in every single department throughout the administration is using climate as a weapon on the way we do business in this country," he said. "Climate is being blamed on everything — illegal immigration, the recent hurricane we just saw. They use every opportunity to blame every crisis on climate change."

He wants to see legislation to ease the permitting process, to make investing in the industry predictable and to protect the tax code from favoring what he calls unreliable sources of energy like wind and solar over primary, reliable sources like fossil fuels. Propping up those unreliable sources only increases the costs to consumers, he said.

"This is what I try to convey to the other side of the aisle: Imagine you're juggling five or six balls in the air. One is Price, one is environmental concerns, one is reliability, and another is national security — Ukraine knows all about that and so does Europe. You're juggling all those and if you drop one, you can say it isn't important. But it unfairly imbalances the others."

Pfluger used Germany as an example of bad policy when it committed 15 years ago to shut down its nuclear plants and halt drilling while obtaining its natural gas from Russia. "We may pay \$7-8 per Mcf; they're paying three or four times that. Consumers and national security of the economy suffered because of poor policy choices," he said.

He urged the industry to continue telling the story of how it has raised one billion people out of poverty over the last 10 years in places like Africa where there was no energy. How the industry helped win World War II and how the recent shale revolution has helped each American household save \$10,000 in energy costs.