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(Original Signature of Member)

114TH CONGRESS  
2D SESSION

**H. R.** \_\_\_\_\_

To prohibit the Secretary of Energy and the Administrator of the Environmental Protection Agency from taking the social cost of carbon or the social cost of methane into account when taking any action, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

Mr. JENKINS of West Virginia introduced the following bill; which was referred to the Committee on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To prohibit the Secretary of Energy and the Administrator of the Environmental Protection Agency from taking the social cost of carbon or the social cost of methane into account when taking any action, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Transparency and  
5 Honesty in Energy Regulations Act of 2016”.

1 **SEC. 2. FINDINGS.**

2 Congress finds that—

3 (1) As a tool to justify Federal actions by the  
4 Department of Energy and the Environmental Pro-  
5 tection Agency (hereinafter in this section referred  
6 to as the “EPA”) addressing greenhouse gas emis-  
7 sions, including those regulating or prohibiting the  
8 exploration, mining, production, and use of coal as  
9 well as other fossil fuels as energy sources, the So-  
10 cial Cost of Carbon (hereinafter in this section re-  
11 ferred to as the “SCC”) and the Social Cost of  
12 Methane (hereinafter in this section referred to as  
13 the “SCM”) in theory represent the hypothetical  
14 cost of an incremental ton of carbon dioxide (CO<sub>2</sub>)  
15 or methane emissions in a given year.

16 (2) Office of Management and Budget (herein-  
17 after in this section referred to as the “OMB”) Cir-  
18 cular A-4 guides Federal agencies on the develop-  
19 ment of regulatory impact analysis required under  
20 Executive Order 12866 as well as other authorities,  
21 instructing agencies to include discount rates of 3  
22 and 7 percent while also evaluating the cost and  
23 benefits that accrue to citizens and residents of the  
24 United States.

25 (3) First developed in 2009 by an interagency  
26 working group, including the Department of Energy

1 and the EPA, the SCC estimates fail to comply with  
2 OMB Circular A-4 prescribed discount rates of 3  
3 and 7 percent.

4 (4) While OMB Circular A-4 specifies that an  
5 evaluation of the global effects, when undertaken, is  
6 to be reported separately from domestic costs and  
7 benefits, the SCC instead calculated the global bene-  
8 fits in lieu of and not in addition to the domestic ef-  
9 fects.

10 (5) The use of the SCC estimates in Depart-  
11 ment of Energy and EPA rulemakings prior to any  
12 opportunity for public notice and comment violated  
13 not only scientific peer-review requirements but also  
14 the President's commitment to transparent and open  
15 government as outlined in his January 21, 2009,  
16 memorandum to the heads of executive departments  
17 and agencies.

18 (6) In July 2015, as part of a revision of the  
19 SCC in response to over 150 substantive comments  
20 and in acknowledgment of the faulty process by  
21 which the SCC estimates were developed, the OMB  
22 requested the National Academies of Science, Engi-  
23 neering and Medicine (hereinafter in this section re-  
24 ferred to as the "NAS") review and make rec-

1       ommendations for the improvement of the SCC esti-  
2       mates.

3           (7) Shortly after the commencement of the  
4       NAS review, the EPA, without appropriate peer re-  
5       view and an opportunity for public notice and com-  
6       ment, utilized the EPA-developed SCM estimates in  
7       justifying the costs and benefits of the September  
8       2015 proposed and recently finalized rules under the  
9       Clean Air Act for methane emissions from new,  
10      modified, and reconstructed sources in the oil and  
11      gas sector.

12          (8) Continued use by the Department of En-  
13      ergy and the EPA of the SCC and the SCM ignores  
14      sound science in order to eliminate the exploration,  
15      mining, production, and use of our abundant domes-  
16      tic sources of fossil fuel energy.

17          (9) The Department of Energy and EPA regu-  
18      lations, which are costing American families billions  
19      of dollars per year, are being justified in large part  
20      by SCC and SCM estimates.

21   **SEC. 3. PROHIBITION ON CONSIDERING THE SOCIAL COST**  
22                           **OF CARBON AND THE SOCIAL COST OF METH-**  
23                           **ANE.**

24      The Secretary of Energy, when acting under any au-  
25      thority, and the Administrator of the Environmental Pro-

1 tection Agency, when acting under the authority of the  
2 Clean Air Act (42 U.S.C. 7401 et seq.), may not consider  
3 the social cost of carbon or the social cost of methane as  
4 part of any cost benefit analysis required under law or  
5 under Executive Order 12866 or 13563, in any rule-  
6 making, in the issuance of any guidance, or in taking any  
7 other agency action, or as a justification for any rule-  
8 making, guidance document, or agency action, unless a  
9 Federal law is enacted, after the date of enactment of this  
10 Act, explicitly authorizing such consideration.

11 **SEC. 4. REPORT OF THE ADMINISTRATOR OF THE EPA.**

12 Not later than 120 days after the date of enactment  
13 of this Act, the Administrator of the Environmental Pro-  
14 tection Agency, in coordination and consultation with the  
15 Secretary of Energy, the Secretary of the Interior, and  
16 the Council on Environmental Quality shall submit a re-  
17 port to the Committees on Energy and Commerce and on  
18 Natural Resources of the House of Representatives and  
19 the Committees on the Environment and Public Works  
20 and on Energy and Natural Resources of the Senate, de-  
21 tailing the number of proposed and final rulemakings,  
22 guidance documents, and agency actions since January  
23 2009 that use the social cost of carbon or the social cost  
24 of methane, including as part of any cost benefit analysis

1 required under Executive Order 12866 and other relevant  
2 authorities.

3 **SEC. 5. DEFINITIONS.**

4 In this Act:

5 (1) The term “social cost of carbon” means—

6 (A) the social cost of carbon as described  
7 in—

8 (i) the document entitled “Technical  
9 Support Document: Social Cost of Carbon  
10 for Regulatory Impact Analysis Under Ex-  
11 ecutive Order 12866” published by the  
12 Interagency Working Group on Social Cost  
13 of Carbon, United States Government, in  
14 February 2010; or

15 (ii) the document entitled “Technical  
16 Support Document: Technical Update of  
17 the Social Cost of Carbon for Regulatory  
18 Impact Analysis Under Executive Order  
19 12866” published by the Interagency  
20 Working Group on Social Cost of Carbon,  
21 United States Government, in May 2013,  
22 and revised in November 2013 and July  
23 2015, or any other successor or substan-  
24 tially related document; or

1 (B) any other estimate of the monetized  
2 damages associated with an incremental in-  
3 crease in carbon dioxide emissions in a given  
4 year.

5 (2) The term “social cost of methane” means  
6 the estimate of the social cost of methane—

7 (A) as described in—

8 (i) the proposed rule entitled “Oil and  
9 Natural Gas Sector: Emission Standards  
10 for New and Modified Sources” published  
11 by the Environmental Protection Agency in  
12 the Federal Register on September 18,  
13 2015 (80 Fed. Reg. 56593);

14 (ii) the final rule entitled “Oil and  
15 Natural Gas Sector: Emission Standards  
16 for New, Reconstructed, and Modified  
17 Sources” published by the Environmental  
18 Protection Agency in the Federal Register  
19 on June 3, 2016 (81 Fed. Reg. 35824); or

20 (iii) the “Regulatory Impact Analysis  
21 of the Final Oil and Natural Gas Sector:  
22 Emission Standards for New, Recon-  
23 structed, and Modified Sources” prepared  
24 by the Environmental Protection Agency,  
25 Office of Air and Radiation, in May 2016,

1                   and identified by docket ID number EPA-  
2                   HQ-OAR-2010-0505-7630; or  
3                   (B) any other successor or substantially re-  
4                   lated estimate.