

December 1, 2022

Nathalie Simon
National Center for Environmental Economics
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

Re: Environmental Protection Agency's (EPA) Social Cost of Greenhouse Gases Peer Review Nominations

Dear Ms. Simon:

The undersigned organizations appreciate the opportunity to provide input into the selection of the candidates for the peer review panel that will undertake an external review of the draft "Report on the Social Cost of Greenhouse Gases: Estimates Incorporating Recent Scientific Advances."¹ Our comments focus on ensuring integrity in the selection of the reviewers and pursuing public input on the development of the charge questions for the review.

The social cost of greenhouse gases (SC-GHG) estimates have been applied to multiple federal regulations, among other actions, that amount to hundreds of billions of dollars in estimated climate benefits, along with significant costs. For this reason, the business community has a direct and substantial interest in ensuring that any SC-GHG estimates that are used in agency rulemakings are the product of a sound, transparent, and inclusive process.

Among other things, we have advocated for the Interagency Working Group to follow the recommendations of the National Academies of Sciences (NAS), including putting the SC-GHG estimates through a robust external peer review process.^{2,3} Peer review can be an

¹ Supplementary Material for the Regulatory Impact Analysis for the Supplemental Proposed Rulemaking, "Standards of Performance for New, Reconstructed, and Modified Sources and Emissions Guidelines for Existing Sources: Oil and Natural Gas Sector Climate Review,"

https://www.epa.gov/system/files/documents/2022-11/epa_scghg_report_draft_0.pdf

² Comments by the American Chemistry Council, American Forest & Paper Association, American Fuel & Petrochemical Manufacturers, American Iron and Steel Institute, American Petroleum Institute, Council of Industrial Boiler Owners, Fertilizer Institute, Independent Petroleum Association of America, National Association of Manufacturers, Portland Cement Association, and U.S. Chamber of Commerce to Office of Management and Budget, Council of Economic Advisers, Office of the Science and Technology Policy, and Office of Information and Regulatory Affairs, RE: Updates to the Social Cost of Carbon, Social Cost of Nitrous Oxide and Social Cost of Methane; Modernizing Regulatory Review Memorandum for Heads of Executive Departments and Agencies. (February 16, 2021).

³ Comments by the Aluminum Association, American Chemistry Council, American Exploration & Petroleum Council, American Farm Bureau Federation, American Fuel & Petrochemical Manufacturers, American Gas Association, American Highway Users Alliance, American Iron and Steel Institute, American Petroleum Institute, American Public Gas Association, American Public Power Association,

important tool in securing public trust in scientific information, analysis, and its real-world application. President Biden’s Memorandum of January 27, 2021, on “Restoring Trust in Government Through Scientific Integrity and Evidence-Based Policymaking” explains that peer review members must be “selected based on their scientific and technological knowledge, skills, experience, and integrity.”

The peer review process must be consistent with the NAS recommendations as well as EPA’s Peer Review Handbook and Office of Management and Budget’s Information Quality Bulletin for Peer Review to ensure independent scientific review of any revised estimates. EPA’s own Peer Review Handbook includes several important criteria to help ensure that those selected to serve on a peer review panel such as the SC-GHG panel are independent and impartial. The Handbook makes clear that members of a panel such as this should not be associated with the generation, either directly or indirectly, of materials that the panel will review, but that they should have technical expertise in the subject matter of the materials that they will be reviewing. Reviewer candidates with a current, known affiliation with special interests should be closely evaluated so as to promote impartiality. It will be important that any selected reviewer meet these criteria to avoid potential conflicts of interest.

EPA’s Peer Review Handbook⁴ also states that a panel “should be sufficiently broad and diverse to represent fairly the scientific and technical perspectives and fields of knowledge relevant to the peer review charge.” With the breadth of scientific and economic assumptions and analyses incorporated into the modeling of the SC-GHG estimates, panel members should be selected to ensure sufficient breadth of expertise. This expertise should cover the various types of damage functions, climate science assumptions, future baseline socioeconomic and emission projections, presentation of uncertainty, and discount rates. For example, new health science appears to be a prominent input to the modeled SC-GHG estimates. Therefore, additional breadth and diversity on the review panel is warranted to represent fairly the health literature, relevancy of short- and long-term displacement in the underpinning health studies, and the appropriateness of the approach implemented to monetize modeled impacts.

Given that the charge questions have yet to be published, we would also recommend that the agency adhere to its Handbook’s guidance on the development of those charge questions. In particular, the charge should “identif[y] the specific technical and scientific issues about which the Agency would like feedback. These focused charge questions should be explicit enough to encourage constructive comments, but not so narrow that they preclude

Associated Builders and Contractors, Associated General Contractors of America, Council of Industrial Boiler Owners, The Fertilizer Institute, Independent Petroleum Association of America, Interstate Natural Gas Association of America, National Association of Manufacturers, National Lime Association, National Mining Association, National Rural Electric Cooperative Association, Portland Cement Association, and the U.S. Chamber of Commerce, to the Office of Mgmt. & Budget, RE: Notice of Availability and Request for Comment on the “Technical Support Document: Social Cost of Carbon, Methane, and Nitrous Oxide Interim Estimates Under Executive Order 13990” (June 21, 2021).

⁴ U.S. EPA Peer Review Handbook, 4th Edition, October 2015, https://www.epa.gov/sites/default/files/2015-10/documents/epa_peer_review_handbook_4th_edition_october_2015.pdf.

or limit informative responses that the reviewer may consider important to provide.” The charge should also “invite[] a broad evaluation of the overall work product. It is important to remember, however, that the peer review is not conducted for the purpose of evaluating a potential Agency action, decision or policy.”

The agency should also allow the public to provide input on the charge to the peer reviewers. The EPA Handbook suggests that “EPA may obtain public input regarding the charge to the peer reviewers.” Providing an opportunity for public input will help broaden the input received on the development of the charge questions and explore factors that may be overlooked.

It is important to have an impartial and qualified peer review panel review the latest draft SC-GHG estimates. We also encourage EPA to provide an opportunity for the public to review the draft charge questions and suggest charge questions for the panel to use during the review. Thank you for the opportunity to comment on the panel selection and our recommendations.

Sincerely,

The Aluminum Association
American Coke and Coal Chemicals Institute
American Gas Association
American Exploration & Production Council
American Iron and Steel Institute
American Road & Transportation Builders Association
American Petroleum Institute
American Public Gas Association
Associated General Contractors of America
Independent Petroleum Association of America
Interstate Natural Gas Association of America
National Association of Manufacturers
National Lime Association
National Mining Association
Plumbing-Heating-Cooling Contractors—National Association
U.S. Chamber of Commerce