

Oklahoma Regulatory and Policy Updates

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**Laura Worthen-Lodes, PE
VP-Mid Continent Operations
Altamira**

**Kyle Dunn, PE
Managing Consultant
Trinity Consultants**

Introductions



Kyle Dunn, PE

- 11 years of air quality consulting experience
- Office Location: Tulsa, OK
- (918) 622-7111
- kdunn@trinityconsultants.com



Introductions



Laura Worthen Lodes, PE

- 22 years of air quality consulting experience
- Office Location: Oklahoma City, OK
- (405)842-1066
- Laura.Worthen-Lodes@altamira-us.com





Agenda

1. Tier I Public Notice Changes
2. General Permit for Oil and Gas
3. CAA Demonstration for Ch. 7 & 8
4. Recent Guidance Changes
5. Oklahoma Hot Topics

Permitting Process Changes to OAC 252:4 & 252:100

- Intended to better align the OAC air permit issuance process and public review with EPA's New Source Review and Title V permitting requirements
- Requires a 30-day public/EPA review period for certain Tier I applications
- Requires an NSR construction permit and public review period for Tier I minor modifications at Title V facilities with PTE > 10 tpy
- No changes affecting minor modifications with PTE < 10 tpy
 - Tier I analysis is conducted per 40 CFR Part 49.153
- Classifies initial Title V permit applications as Tier II
- Classifies moving from TV to a minor source as Tier II
- Creates two potential public review options for sources with existing operating permits (traditional and enhanced NSR)

Permitting Process Changes to OAC 252:4 & 252:100

- Implements web-based public review notifications for Tier I applications (DEQ will send out the notice)
 - The notification will be emailed to interested parties using the public notice e-mail list maintained by DEQ
 - Newspaper notice still required for Tier II/III
- New or modified operating permits will now be issued as Federally Enforceable State Operating Permits (FESOP)
 - Existing permits are still considered “federally enforceable”
- DEQ provided guidance document detailing the changes and it includes thirteen common scenarios that will be affected by the rule changes
- These became effective on 9/15/2021

40 CFR Section 49.153(b)

The total increase in allowable emissions resulting from your proposed change, including fugitive emissions, to the extent they are quantifiable, only if your source belongs to one of the source categories listed pursuant to section 302(j) of the Act, would be the sum of the following:

- (1) For each new emissions unit that is to be added, the emissions increase would be the potential to emit of the emissions unit.
- (2) For each emissions unit with an allowable emissions limit that is to be changed or replaced, **the emissions increase would be the allowable emissions of the emissions unit after the change or replacement minus the allowable emissions prior to the change or replacement. However, this may not be a negative value.** If the allowable emissions of an emissions unit would be reduced as a result of the change or replacement, use zero in the calculation.
- (3) For each unpermitted emissions unit (a unit without any enforceable permit conditions) that is to be changed or replaced, the emissions increase is the allowable emissions of the emissions unit after the change or replacement minus the potential to emit prior to the change or replacement. However, this may not be a negative value. If an emissions unit's post-change allowable emissions would be less than its pre-change potential to emit, use zero in the calculation.

Draft General Permit for O&G Facilities (GP-OGF)

- Original draft proposed in March 2016
- Revised draft issued on August 16, 2020
- Revised draft issued on December 14, 2021
 - DEQ is updating to “provide increased flexibility and to incorporate more recent federal regulations”
 - All existing sources must comply within 24 months of issuance
 - Revises applicability criteria
 - Includes additional guidance for calculating emissions
 - Includes prescriptive monitoring requirements in order to claim certain capture/reduction efficiencies for various control devices

Proposed GP-OGF Changes

- Creates Class I (emissions are 80% of major source levels) and Class II (SM80) permit categories
- Changes Notice of Modification criteria to also include:
 - Changing Class I/II classification
 - Modifying emission factors
 - Adding/removing a federally enforceable limit (no more NOI to Construct needed to implement certain limits)
- Incorporates all recent DEQ emissions calculation guidance
- Initial and Quarterly engine testing removed now only required initially and semiannually if > 250 hp
- Adds MSS

Proposed GP-OGF Changes

- Lowers the maximum concentration of H₂S for stored crude oil to 6 ppmw from 135 ppmw.
- Emissions must now be calculated on a 12-month rolling basis
 - There are allowances for using throughputs or run time
- Glycol dehydration units and amine units may not process gas greater than 4 ppmv per the permit.
- Allows for averaging of facility wide throughput at storage vessel batteries constructed after 11/16/2020 per NSPS 0000a
 - Revises existing testing and monitoring requirements for various pieces of equipment
 - Updates recordkeeping and reporting requirements

CAA Demonstration for Permit Exempt Facilities

- **AQD is taking comments and hearing requests** on the proposed Clean Air Act (CAA) Section 110(l) demonstration for the Chapter 100, Subchapter 7 “Permit Exempt Facility” Category.
- This CAA Section 110(l) demonstration was developed to satisfy the requirement to demonstrate that revisions to the Oklahoma Air Pollution Control Rules will not interfere with continued attainment of the National Ambient Air Quality Standards (NAAQS) or any other applicable requirements from the CAA. The comment period runs through noon on Wednesday, May 18th.
- A hearing (if one is requested by noon on Monday, May 16, 2022) would be held on Wednesday, May 18, 2022 from 10:00 a.m. to 12:00 noon in DEQ’s 2nd Floor Training Room.

CAA Demonstration for 10 TPY Minor NSR Exemption

- **AQD is taking comments and hearing requests** on the proposed Clean Air Act (CAA) Section 110(l) demonstration for the Chapter 100, Subchapter 8, 10 TPY Minor NSR Exemption Threshold.
- This CAA Section 110(l) demonstration was developed to satisfy the requirement to demonstrate that revisions to the Oklahoma Air Pollution Control Rules will not interfere with continued attainment of the National Ambient Air Quality Standards (NAAQS) or any other applicable requirements from the CAA. The comment period runs through noon on Wednesday, May 18th.
- A hearing (if one is requested by noon on Monday, May 16, 2022) would be held on Wednesday, May 18, 2022 from 10:00 a.m. to 12:00 noon in DEQ's 2nd Floor Training Room.

New Definition for Start of Construction

Construction Activities Prior to Issuance of a Minor NSR (Construction) Permit

- After the submission of an administratively complete minor NSR construction permit application, but prior to the issuance of the corresponding construction permit, **an applicant may begin construction up to, but not including, making any new, modified, or reconstructed unit operational such that it has the ability to emit any regulated air pollutant.** The applicant assumes the risk of losing any investment it makes toward implementing such construction prior to the issuance of a construction permit authorizing the construction. This paragraph does not serve as authorization by DEQ of the requested construction. In addition, this exception does not exempt the owner or operator from any applicable requirements under federal rules (e.g., NSPS or NESHAP) or state-only regulations.

Environmental Justice

- **Environmental Justice Goal** - assure new regulations, public investments, and industrial, commercial, and municipal operations do not cause disparate adverse environmental, health, or safety impact on vulnerable communities
 - minority, low-income, indigenous, linguistically isolated, limited education, young, elderly, distressed communities
 - climate exposed
 - overburdened communities
 - limited access to open spaces, water resources, playgrounds, outdoor recreational facilities
- Guidance on Environmental Justice for Oklahoma air permits expected soon

Other Recent OAC Rule & Guidance Changes

- OAC 252:100-37-16 modified to clarify that loading operations from condensate tanks at compressor stations are not affected loading facilities
- “Reasonable possibility” provisions added to OAC 252:100-8-36 to more closely align with EPA rule and reduce recordkeeping burden
- E-Permitting system was retired on February 1, 2022, and alternative options are currently being considered
- New Representative Sampling Guidance for determining when applicants can use a representative sample for calculating air emissions at oil and gas facilities (effective March 15, 2021)
- Recently proposed NSPS OOOOc will require DEQ to develop a state plan to establish performance standards in the form of methane limitations for existing oil and gas sources

Other Recent OAC Rule & Guidance Changes

- Chapter 7 exemption added for replacement units at minor sources
 - No emissions limit change
 - Exemption includes units subject to NSPS/NESHAP
 - Must notify DEQ within 15 days of startup
- Emissions calculations for produced water tanks must assume 100% VOC for working and breathing emissions (effective April 15, 2021)
 - DEQ confirmed in January 2022 that this guidance would also apply retroactively for emissions inventories and modified permits
- New guidance to clarify applicability under Subchapter 37 for effluent water separators at O&G facilities

Other Recent OAC Rule & Guidance Changes

- Starting in January 2022, DEQ is conducting enhanced evaluations on a subset of O&G PBR applications
- DEQ has released a Tanks Tool to assist with storage tank emissions calculations that are compliant with recent changes to AP-42 Chapter 7
- Ongoing discussion on interpretation of “annual” for NSPS/NESHAP
- New lead-based paint (LBP) and renovation, repair and painting (RRP) electronic forms
- New Excess Emissions reporting platform

Ozone Transport Federal Implementation Plan

- On February 22, 2022 EPA published a disapproval of Oklahoma's "Good Neighbor SIP"
- EPA FIP lists a number of turbines and RECIP engines that are potentially affected sources.
- ODEQ has requested comments by May 6, 2022

Questions & Discussion

laura.worthen-lodes@altamira-US.com

405-702-1618

kdunn@trinityconsultants.com

918-622-7111

