Federal Air Regulations Update

Every Changing Regulations

What Does this Mean for Oil and Gas?

“The Action Plan includes a number of critical and commonsense steps to tackle methane emissions from the oil and gas sector, which currently represents the largest source of industrial emissions of methane:

- **The Environmental Protection Agency (EPA) is proposing updated rules of the road for methane from new oil and gas sources and its first set of limits on existing oil and gas sources. The proposal would reduce emissions from covered sources, equipment, and operations by about 75%.**

- **The Department of the Interior is focusing on opportunities to tackle the venting and flaring of methane from oil and gas operations and well closures on public lands and waters.**
- **The Department of Transportation’s Pipeline and Hazardous Materials Safety Administration (PHMSA) is implementing the bipartisan PIPES Act by upgrading and expanding pipeline rules that will, among other things, require operators to cut methane leaks and excursions. “**

What is the Biden administration's new "crackdown" on methane to "root out emissions"?

- 40 CFR Part 60 – Standards of Performance for New Stationary Sources, Proposed Subparts, OOOOb and OOOOc
- 40 CFR Part 98 - Petroleum and Natural Gas Systems, Subpart W
- 43 CFR – BLM - Waste Prevention, Production Subject to Royalties, and Resource Conservation

The proposed O&G rules contain the following proposed changes to the regulations:

(1) Ensure that all well sites are routinely monitored for leaks, with requirements based on the type and amount of equipment on site;

(2) Encourage the deployment of innovative and advanced monitoring technologies by establishing performance requirements that can be met by a broader array of technologies;

(3) Prevent leaks from abandoned and unplugged wells by requiring documentation that well sites are properly closed and plugged before monitoring is allowed to end;

(4) Leverage qualified expert monitoring to identify “super-emitters” for prompt mitigation;

(5) Strengthen requirements for flares to ensure they are properly operated to reduce emissions;

(6) Set a zero-emissions standard for pneumatic pumps at affected facilities in all segments of the industry, with exceptions limited to sites without access to electricity;

(7) Establish emission standards for dry seal compressors, which are currently unregulated; and

(8) Require owners/operators of oil wells with associated gas to implement alternatives to flaring the gas, unless they submit a certified demonstration that all alternatives are not feasible for technical or safety reasons

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What does leverage qualified expert monitoring to identify “super-emitters” for prompt mitigation;

This means the EPA will use subcontractors and other outside organizations for monitoring.

- Satellites owned by Activist Organizations
- Cameras that are drone, plane or handheld by members of the public who meet certain qualifications

The proposed BLM Waste Prevention Rule contain the following proposed changes to the regulations:

- **Technology Upgrades: The rule would require the use of "low-bleed" pneumatic equipment as well as vapor recovery for oil storage tanks, where economically feasible. These requirements would reduce losses of natural gas from pneumatic equipment and storage tanks on federal and Indian leases.**

- **Leak Detection Plans: The rule would require operators to maintain a Leak Detection and Repair (LDAR) program for their operations on federal and Indian leases.**

- **Waste Minimization Plans: Requires applicants to develop waste minimization plans demonstrating the capacity of available pipeline infrastructure to take the anticipated associated gas production. The BLM may delay action on, or ultimately deny, a permit to drill to avoid excessive flaring of associated gas.**

- **Monthly Limits on Flaring: Places time and volume limits on royalty-free flaring. Importantly, this includes a monthly volume limit on royalty-free flaring due to pipeline capacity constraints—the primary cause of flaring from Federal and Indian leases.**

GHG Reporting and the Inflation Reduction Act

GHG Reporting and the Inflation Reduction Act

- The GHGRP (codified at 40 CFR Part 98) requires reporting of greenhouse gas (GHG) data and other relevant information from large GHG emission sources, fuel and industrial gas suppliers, and CO_2 injection sites in the United States. This data can be used by businesses and others to track and compare facilities' greenhouse gas emissions, identify opportunities to cut pollution, minimize wasted energy, and save money. States, cities, and other communities can use EPA's greenhouse gas data to find high-emitting facilities in their area, compare emissions between similar facilities, and develop common-sense climate policies.

- A total of **41 categories** of reporters are covered by the GHGRP. Facility owners determine whether they are required to report based on the types of industrial operations located at the facility, their emission levels, or other factors.

- **Facilities are generally required to submit annual reports under Part 98 if:**
  - **For Oil and Gas a Facility is defined based on the geologic basin and may cross multiple states**
  - **GHG emissions from covered sources exceed 25,000 metric tons CO_2e per year.**
  - **Supply of certain products would result in over 25,000 metric tons CO_2e of GHG emissions if those products were released, combusted, or oxidized.**

EPA Proposes Updates to Greenhouse Gas Emissions Reporting Requirements for the Oil and Gas Sector

Revisions to EPA's Greenhouse Gas Reporting Program required by President Biden's Inflation Reduction Act would improve accuracy of the sector's reported methane emissions, one of the major drivers of climate change

July 6, 2023

Contact Information
EPA Press Office (press@epa.gov)

WASHINGTON – Today, the U.S. Environmental Protection Agency (EPA) issued a proposal to amend reporting requirements for petroleum and natural gas systems under EPA's Greenhouse Gas Reporting Program. The proposed revisions would improve the accuracy of reported emissions of greenhouse gases (GHG), including methane, one of the primary drivers of the climate crisis, from applicable petroleum and natural gas facilities, consistent with the Methane Emissions Reduction Program under the Inflation Reduction Act.

Proposed Changes to Subpart W

EPA several amendments to include calculation methodologies and reporting requirements of additional emissions or emissions sources to address potential gaps in the total methane emissions reported per facility to subpart W.

- nitrogen removal units,
- produced water tanks,
- and crankcase venting.

EPA is also proposing to require reporting from additional industry segments for certain emissions sources (e.g., blowdown vent stacks, natural gas pneumatic device venting, dehydrator vents, acid gas removal units) that are currently only required to be reported for some, but not all, of the industry segments in which those sources exist.

Additionally, EPA is proposing to add a new emissions source, referred to as “other large release events,” to capture abnormal emission events that are not Actions Background Proposed Revisions June 2023 2 40 CFR Part 98 accurately accounted for using existing methods in subpart W.

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New Electric Generating Unit Regulations

5/23/2023 - Proposed New Source Performance Standards for Greenhouse Gas Emissions From New, Modified, and Reconstructed Fossil Fuel-Fired Electric Generating Units; Emission Guidelines for Greenhouse Gas Emissions From Existing Fossil Fuel-Fired Electric Generating Units; and Repeal of the Affordable Clean Energy Rule

1. Greenhouse gas emissions from new fossil fuel-fired stationary combustion turbines
2. Greenhouse gas emissions from fossil fuel-fired steam generating units that undertake a large modification
3. Emission guidelines for GHG emissions from existing fossil fuel-fired steam generating EGUs, which include both coal-fired and oil/gas-fired steam generating EGUs
4. Emission guidelines for GHG emissions from the largest, most frequently operated existing stationary combustion turbines
5. Finally, the EPA is proposing to repeal the Affordable Clean Energy (ACE) Rule

4/3/2023 – Proposed National Emission Standards for Hazardous Air Pollutants: Coal- and Oil-Fired Electric Utility Steam Generating Units (MATS) revisions

New Electric Generating Unit Regulations - NSPS

EPA is proposing the following:

- **a low load (“peaking units”) subcategory that consists of combustion turbines with a capacity factor of less than 20 percent;**

- **an intermediate load subcategory for combustion turbines with a capacity factor that ranges between 20 percent and a source-specific upper bound that is based on the design efficiency of the combustion turbine;**

- **and a base load subcategory for combustion turbines that operate above the upper-bound threshold for intermediate load turbines.**

New Electric Generating Unit Regulations - NSPS

EPA is proposing the following:

- **For the low load subcategory, EPA is proposing that the best system of emission reduction (BSER) is the use of lower emitting fuels (e.g., natural gas and distillate oil) with standards of performance ranging from 120 lb CO2/MMBtu to 160 lb CO2/MMBtu, depending on the type of fuel combusted.**

- **For the intermediate load and baseload subcategories, EPA is proposing an approach in which the BSER has several components:**
  (1) highly efficient generation; and
  (2) depending on the subcategory, use of CCS or co-firing low-GHG hydrogen.

Mercury and Air Toxics Standards for Power Plant (MATS)

EPA Proposes to Build on the 2015 MATS rules

- EPA is proposing to further limit the emission of non-mercury HAP metals from existing coal-fired power plants by significantly reducing the emission standard for filterable particulate matter (fPM), which is designed to control non-mercury HAP metals. EPA is proposing a two thirds reduction in the fPM standard. Also, EPA is proposing to remove the low-emitting EGU provisions for fPM and non-mercury HAP metals
- EPA is also proposing to tighten the emission limit for mercury for existing lignite-fired power plants by 70 percent, to a level that is aligned with the mercury standard that other coal-fired power plants have been achieving under the current MATS.
- EPA's proposal would also strengthen emissions monitoring and compliance by requiring coal-fired EGUs to comply with the fPM standard using PM continuous emission monitoring systems (CEMS).

Thank You!

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