

Publications

Oil and Gas Alert: EPA Proposes Amendments to GHG Reporting Rule for the Oil and Natural Gas Industry

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On January 29, 2016, USEPA **proposed amendments** to the petroleum and natural gas systems source category of the Greenhouse Gas Reporting Rule, 40 CFR Part 98, subpart W (GHG Reporting Rule). Specifically, USEPA is proposing to add new monitoring methods for detecting leaks from oil and gas equipment in the petroleum and natural gas systems source category that are consistent with the leak detection requirements in the recently proposed amendments (80 FR 56593, September 18, 2015) to the new source performance standards for the oil and gas industry, 40 CFR Part 60, subpart OOOO (NSPS OOOO). The Agency is also proposing to add emission factors for leaking equipment to be used in conjunction with these monitoring methods to calculate and report GHG emissions resulting from equipment leaks.

Under the proposed amendments to NSPS OOOO, well site and compressor station affected sources would be required to implement a fugitive emissions monitoring and repair program for the first time. Sources that are currently subject to subpart W of the GHG Reporting Rule, including certain well sites and compressor stations, calculate equipment leak emissions based on a count of equipment components rather than actual leak surveys. As a result, emissions from leak surveys that would be conducted pursuant to the proposed NSPS OOOO amendments would not be reflected in calculations for reporting GHG emissions under the current GHG Reporting Rule. USEPA indicated that the proposed monitoring methods and emissions factors under subpart W are intended to augment the fugitive emissions detection methods proposed under NSPS OOOO.

USEPA's proposed amendments to subpart W include:

1. Adding new monitoring methods, including incorporating site specific optical gas imaging, as specified in the proposed amendments to NSPS OOOO, to the list of methods for detecting equipment leaks in 40 CFR 98.234(a). The USEPA is requesting comment on whether there are other methods for detecting equipment leaks that should be added to subpart W.

2. Requiring facilities that conduct fugitive leak detection monitoring to comply with the proposed NSPS OOOO amendments to count the actual number of components with fugitive emissions as leaks for purposes of subpart W and use those counts with the leak survey calculation method in subpart W to determine equipment leak emissions for those components.
3. Establishing leaker emission factors for: (i) the Onshore Petroleum and Natural Gas Production industry segment; (ii) the Onshore Petroleum and Natural Gas Gathering and Boosting industry segment; (iii) storage wellheads in gas service in the Underground Natural Gas Storage industry segment; (iv) LNG storage components in the LNG Storage industry segment; (v) LNG terminals components in gas service for the LNG Import and Export Equipment industry segment.
4. Requiring facilities that conduct equipment leak surveys to report equipment leak emissions under subpart W to report the information under 40 CFR 98.236(q)(1), including the number of equipment leak surveys, component type, number of leaking components, average time assumed to be leaking, and annual CO₂ and CH₄ emissions. Facilities would also be required to report the method(s) used to conduct leak surveys and whether any components are subject to the amended NSPS OOOO.
5. Confidentiality determinations for nine new or substantially revised data elements proposed to be reported by certain industry segments.

USEPA expects to finalize the proposed amendments to subpart W before the end of 2016, at the same time as or soon after the amendments to NSPS OOOO are finalized. Assuming the proposed amendments are finalized as planned, beginning with the 2017 reporting year, owners or operators of facilities that conduct leak detection surveys at any time during the year would be required to use that information, along with information required under amended subpart W, to calculate and, if necessary, report their annual equipment leak emissions.

Comments on the proposed amendments to subpart W of the GHG Reporting Rule are due by February 29, 2016.