

Scoping Meeting on District Implementation Options for CARB Oil/Gas Facilities GHG Emission Standards Rule

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Webcast participants: [submit comments to webcast@valleyair.org](mailto:submit_comments_to_webcast@valleyair.org)



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Agenda

- Overview of existing regulations for oil/gas fugitive VOC and methane emissions
- Overview of new CARB rule for oil/gas fugitive methane emissions
- District implementation options for CARB rule
- Next steps
- Questions/comments



Existing District regulations

- Target VOC (not methane) emissions
- In-place for over 25 years
- Rules 4623 – Storage of Organic Liquids
- Rule 4401 – Steam Enhanced Crude Oil Production Wells
- Rule 4409 – Components at Light Crude Oil Production (> 30° API), Gas Production, and Gas plants
- Others - Rule 4402 (sumps), 4407 (In-Situ Combustion Wells), 4408 (Glycol Dehydration Systems)



Existing Federal Regulations

- NSPS Subpart OOOO – Oil/gas production, transmission, distribution
 - New/modified equipment 8/23/11 – 9/18/15
 - VOC emissions only
- NSPS Subpart OOOOa – Oil/gas production, transmission, distribution
 - New/modified equipment after 9/18/15
 - VOC and methane emissions
 - Certain provisions stayed 6/5/17 - 8/31/17
 - fugitive emission requirements stayed



CARB oil/gas fugitive methane rule

- AB-32 Global Warming Solutions Act of 2006
- AB-32 Implemented by CARB
- Multi-faceted approach by CARB to reduce GHG emissions
 - Cap and Trade regulation
 - Source specific regulations, including oil/gas industry

CARB oil/gas fugitive methane rule

- Industry/California Districts consulted by CARB
- CARB public workshops
- 80% of oil/gas production in CA is in the Valley
- Adopted by CARB March 23, 2017



CARB oil/gas fugitive methane rule

- Applies to equipment/components used in:
 - Crude oil/gas production
 - Crude, condensate, and produced water separation/storage
 - Natural gas underground storage
 - Natural gas gathering/boosting stations
 - Natural gas processing plants
 - Natural gas transmission compressor stations



CARB oil/gas fugitive methane rule

Emission/control standards:

- Separator/tank systems – flash testing, possible vapor control, exemption for small producers
- Well stimulation circulation tanks – best management practices, emission testing/technology assessment (grouped okay)
- Reciprocating/centrifugal compressors – leak requirements
- Natural gas pneumatic devices/pumps – bleed rate requirements



CARB oil/gas fugitive methane rule

Emission/control standards:

- Open well vents - measure gas flow
- Natural gas underground storage - monitoring plan

LDAR for components at regulated facilities

- Exemptions for - components subject to District LDAR, heavy oil (< 20° API), others
- Quarterly LDAR using EPA method 21

CARB oil/gas fugitive methane rule

Critical components

- Longer leak repair time allowed
- Must be approved by CARB

Standards for required vapor collection/control systems

- If available, use sales gas line, fuel gas line, existing gas disposal well
- Alternatively, use vapor control device w/ 95% control and $\text{NO}_x \leq 15 \text{ ppmv @ } 3\% \text{ O}_2$. Applies to new and existing devices used to comply

CARB oil/gas fugitive methane rule

Detailed record keeping (5 years retention) and reporting (annually beginning 7/1/18) requirements

CARB Final staff report expected in late June will provide guidance on various rule interpretation/applicability questions

Implementation

- Implementation by CARB or the District
- District implementation benefits
 - District staff familiar with facilities
 - Efficient use of government funds
 - Supported by industry
 - Supported by CARB
 - Need MOA between CARB and District in order to proceed with implementation

Implementation

- Minimum information to be provided by owners specified in the rule
 - Owner/operator name/contact info
 - Address of each facility (contiguous/adjacent) with equipment subject to rule
 - For each facility - inventory of equipment subject to rule; annual crude oil, produced water, natural gas throughput

Implementation

- Minimum requirements for District program specified in the rule
 - Permit #s and conditions that ensure compliance with rule – or reason why not included
 - Declaration from operator that information is true and correct
 - Annual updates by Jan 1 every year

District Implementation

- Need to include currently un-permitted facilities
 - natural gas compressor stations, others
- District must recover costs for implementation
 - All efficiency streamlining efforts to be utilized
 - Initial costs – permitting, registration, etc.
 - Ongoing costs - inspections, annual report review, others
- CARB funds available to offset District's implementation costs
 - Amount available TBD



District Implementation

Option #1

Incorporate requirements into each affected PTO, require PEERs to enforce requirements for exempt equipment

- Revise Rule 2250 PEER to allow PEERs for exempt equipment to enforce CARB oil/gas rule
- Possibly revise Rules 3020 (PTO fees) and 3155 (PEER fees) to recover costs for implementing CARB oil/gas rule – only if CARB funds insufficient



District Implementation

Option #2

Incorporate requirement into each affected PTO, enforce requirements for exempt equipment through compliance plan

- Possibly revise Rule 3020 to add PTO surcharge fee recover ongoing inspection costs

District Implementation

Option #3

Incorporate requirements into facility-wide requirements for permitted equipment, require a facility-wide PEER for all exempt equipment

- Revise Rule 2250 PEER to allow PEERs for exempt equipment to enforce CARB oil/gas rule
- Possibly revise Rules 3020 (PTO fees) and 3155 (PEER fees) to recover costs for implementing CARB oil/gas rule – only if CARB funds insufficient



District implementation

Other Options

- Incorporate requirements into facility-wide requirements for all equipment – permitted and exempt equipment
 - Not feasible as it would require exempt equipment be permitted
- Enforce via submittal/approval of a compliance plan
 - May not be approvable by CARB, as requirements would not be incorporated into District PTO/PEERs



Next steps

- Evaluate comments received
- Select best option
- Public workshop for Rule amendments
 - Reg II – Permitting/PEERs
 - Reg III – fees to recover costs – only if CARB funds insufficient
- Ongoing – Work with stakeholders/CARB to develop a FAQ document



Comments/Questions

- If you have comments, questions, suggestions:

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- Comments due by June 22, 2017