

EPA Takes Regulatory Actions to Address Emissions from the Oil and Gas Sector

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On May 12th, EPA issued two rules that will significantly impact the oil and gas industry nationally. The [first rule](#), an outgrowth of the President's Climate Action Plan, establishes new source performance standards ("**NSPS**") to curb emissions of methane, as well as volatile organic compounds ("**VOCs**"), from new natural gas and oil well sites and from new natural gas production gathering and boosting stations, processing plants, and transmission compressor stations. The [second rule](#) clarifies when oil and gas equipment and activities will be deemed to be a single source for determining whether the prevention of significant deterioration ("**PSD**") and nonattainment new source review ("**NSR**") preconstruction permit programs and the Title V operating permit program apply. EPA also issued a [third rule](#) that applies to Indian Country and is intended to streamline the permitting process for sources in it.

The NSPS rule, codified in 40 CFR part 60, finalizes amendments to subpart OOOO and new standards in OOOOa, and includes requirements for emissions of methane, to effect the best system of emission reduction ("**BSER**"), because of methane's status as a potent greenhouse gas ("**GHG**"), as well for emissions of VOCs, which include toxics such as benzene, toluene, ethyl benzene, and xylenes, commonly referred to as "BTEX." The standards apply to new, reconstructed, and modified oil and gas sources. The agency has prepared a helpful chart summarizing affected sources and the pertinent BSER standards applicable to them.

According to the agency, this NSPS rule builds on its prior NSPS rule that focused on VOCs. EPA maintains that affected sources will be able to meet limits using technologies that are cost-effective and readily available and includes requirements to identify and repair leaks known as fugitive emissions. The agency maintains the new standards should not require the installation of additional controls because the controls presently required to reduce VOCs will reduce methane as well. In a related action, the agency issued for public comment an [information collection request \("**ICR**"\) for existing oil and gas sources](#) so it can develop comparable regulations for existing oil and gas sources.

The source determination rule is to be applied to determine when emissions from equipment and activities must be aggregated to see if thresholds for PSD, NSR, and Title V permitting programs are triggered. It defines the term "adjacent" to clarify that equipment and activities that are under "common control" will be considered part of the same source if they are located on the same site or on sites that share common equipment and that are within ¼ mile of each other. This rule applies to equipment and activities used for onshore oil and gas production and for natural gas processing; it does not apply to offshore operations.

The third rule establishes a federal implementation plan ("**FIP**") that implements the agency's Indian Country Minor NSR program for oil and natural gas production, to be used instead of source-specific minor NSR preconstruction permits in Indian Country. The FIP applies to all new and modified true minor sources in the oil and natural gas production and the natural gas processing segments of the oil and gas industry. New and modified true minor sources using the FIP will be

required to register using a specific form tailored to the FIP, rather than a permit application. The final FIP applies throughout Indian Country. It does not apply in areas designated as nonattainment. Sources locating in nonattainment areas will have to seek a source-specific permit or comply with reservation-specific FIPs where those exist.

For more information, please contact: