PADEP to Finalize Rulemaking for Control of VOC Emissions from Existing Oil and Natural Gas Sources

March 1, 2022

FNREL Mineral and Energy Law Newsletter

Pennsylvania - Oil & Gas

(By Joseph K. Reinhart, Sean M. McGovern, Matthew C. Wood and Gina N. Falaschi)

The Pennsylvania Department of Environmental Protection (PADEP) is preparing to finalize a rulemaking that adopts reasonably available control technology (RACT) requirements and RACT emission limitations for existing oil and natural gas sources of volatile organic compound (VOC) emissions. This proposal is based on the U.S. Environmental Protection Agency's (EPA) October 2016 Control Techniques Guidelines (CTG) for the Oil and Gas Industry, 81 Fed. Reg. 74,798 (Oct. 27, 2016), which provide RACT requirements for VOC emissions from existing oil and gas sources. The rule would apply to owners and operators of any of the following oil and natural gas sources of VOC emissions that were in existence on or before the effective date of this rulemaking: storage vessels (in all segments except natural gas distribution), natural gas-driven continuous bleed pneumatic controllers, natural gas-driven diaphragm pumps, centrifugal and reciprocating compressors, and fugitive emission components.

Pennsylvania's Environmental Quality Board (EQB) first published a proposed rulemaking on May 23, 2020. 50 Pa. Bull. 2633 (May 23, 2020); see Vol. XXXVII, No. 3 (2020) of this *Newsletter*. The proposed rulemaking was published for public comment, three virtual hearings were held, and the comment period ended on July 27, 2020. PADEP received roughly 4,500 comments from approximately 36,000 commenters. PADEP is preparing, but has not yet released, a comment and response document for the rulemaking.

The draft final-form rule was presented to the Air Quality Technical Advisory Committee in December 2021 and was presented to PADEP's other advisory committees in January 2022. The final-form rule incorporated public comment by making changes to improve clarity and minor edits on applicability and inspection requirements. The rulemaking will impact approximately 199 conventional wells and 4,913 unconventional wells, which will be required to implement leak detection and repair (LDAR) programs or increase the current LDAR frequency under the proposed rulemaking. Approximately 278 midstream com- pressor stations and 5 natural gas processing plants will be required to implement LDAR programs or meet new requirements.

On December 16, 2021, EPA found that Pennsylvania failed to submit state implementation plan (SIP) revisions required by the Clean Air Act (CAA) in a timely manner to address RACT requirements associated with the 2016 Oil and Natural Gas Industry CTG mentioned above. See 86 Fed. Reg. 71,385 (Dec. 16, 2021). Failure to submit SIP revisions within the next 18 months will trigger sanctions and the creation of a federal implementation plan.

PADEP anticipates advancing the draft final rule to the EQB for approval in the first quarter of 2022. The agency will finalize the rule and submit it to EPA as a SIP revision in the second quarter of 2022—within EPA's new 18-month deadline. Compliance requirements would likely begin in January 2023.

Copyright © 2022, The Foundation for Natural Resources and Energy Law, Westminster, Colorado

