

## Release of draft permits marks beginning of new era in air permitting.

**O**n the eve of Thanksgiving, the Pennsylvania Department of Environmental Protection released two draft general permits that, if finalized, would result in significant changes to the air permitting regime for oil and gas industry sources.

The first general permit is a revised version of the existing plan approval/operating permit known as GP-5 for compressor stations and processing facilities. Although the draft revised GP-5 includes a number of conditions that would create more burdensome obligations for industry, midstream operators are already accustomed to dealing with a general permit. GP-5 (in some form) has been around for a decade. The second draft general permit, known as GP-5A, represents an even greater departure from the status quo, as it would require operators to obtain an air permit for production facilities for the first time. Production facilities are currently authorized pursuant to an air permitting exemption known as Exemption 38.

DEP released the draft permits in anticipation of an Air Quality Technical Advisory Committee (AQTAC) meeting scheduled for December 8. AQTAC advises DEP on the technical, economic and other social impacts of major program changes like this one, and typically reviews a DEP proposal before the formal public comment period begins.

A lot can be said about how this program shift may impact day-to-day operations and possibly increase the cost of doing business in Pennsylvania. But keep things in perspective: these permits are still in draft form and therefore remain subject to change. Although major concepts such as whether to even have a general permit for well sites are unlikely to change, the finer details of the permits will be worked out through a future public comment process. Nevertheless, operators would be wise to obtain a copy of the permits (available at [www.dep.pa.gov/Business/Air/BAQ/AdvisoryGroups/AirQuality-Technical-Advisory-Committee/Pages](http://www.dep.pa.gov/Business/Air/BAQ/AdvisoryGroups/AirQuality-Technical-Advisory-Committee/Pages)) and take a closer look at the proposed conditions. This article highlights just a handful of the issues that warrant further review.

### How did we get here?

Under the current permitting framework, minor source compressor stations and processing facilities are eligible for

authorization under GP-5. DEP issued GP-5 for the first time in 2006 and issued revised versions of the permit in 2011, 2013 and 2015. Exemption 38 was substantially revised as of August 10, 2013, to require that unconventional well sites demonstrate compliance with certain criteria in order to qualify for the exemption. In contrast, DEP treats unconventional well sites established prior to August 10, 2013 and conventional well sites as unconditionally exempt from the obligation to obtain an air permit.

On January 19, Governor Tom Wolf announced a sweeping new regulatory strategy for reducing methane emissions from oil and gas operations. The methane reduction strategy anticipates that DEP will, among other things, revise GP-5 to impose more stringent requirements and also develop a new general permit for unconventional well sites. The release of the draft general permits means DEP is making good on its pledge to regulate methane emissions. At the same time, DEP seems to be taking advantage of this opportunity to address some of the GP-5 and Exemption 38 implementation issues that have surfaced over the years.

### New scope and applicability

The revised GP-5 and GP-5A share many of the same or similar conditions, such as new requirements for truck load-outs, but differ in scope and applicability. In general, the revised GP-5 would be available for natural gas compressor stations, processing plants and, for the first time, transmission stations. GP-5A would authorize “unconventional natural gas well site operations” and “remote pigging stations.” DEP has indicated it will amend Exemption 38 as part of the transition to GP-5A. When revised, according to DEP, Exemption 38 would apply to unconventional well sites that were constructed between August 10, 2013, and the effective date of the amendment to the exemption list. Presumably, Exemption 38 would not change for conventional well sites.

What will happen to existing facilities? Under the proposed permitting scheme, existing facilities would continue to comply with the requirements of Exemption 38 and earlier versions of GP-5, and new or modified facilities would need to meet the requirements of the new general permits. This means facility

### Authors:



**Meredith Odato  
Graham**



**Michael H. Winek**

changes (engine swap, anyone?) and ownership changes may have the effect of “upgrading” a facility to the new GP-5/GP-5A.

### **Methane controls**

The most significant policy change in the proposed permitting scheme is DEP’s new focus on methane emissions. DEP previously did not specifically regulate methane for air permitting purposes. As proposed, both general permits would, for example, require that glycol dehydration units and storage vessels reduce methane emissions by 98 percent or more if uncontrolled potential emissions are greater than or equal to 200 tons per year.

### **Noise, dust and pigging**

DEP is using the draft permits to address three topics that have caused quite a stir in recent years: noise, dust and pigging. As a practical matter, operators are already subject to noise and fugitive dust limitations, namely those found in local ordinances and the generally applicable regulations at 25 Pa. Code Chapter 123 (Standards for Contaminants). It is, however, unusual that DEP would attempt to regulate noise under the Air Pollution Control Act. The general permits expand on existing obligations by requiring operators to document the measures used to minimize noise and dust, and by requiring specific measures for dust control.

Perhaps the more significant change is with respect to pigging, which until now was not clearly subject to permitting. Emissions from pigging are generally considered to be de minimis, but may vary based on the nature of the gas (wet versus dry), frequency of pigging activity and other factors. Both the revised GP-5 and GP-5A identify “pigging operations” as a source subject to detailed requirements, including equipment specifications.

### **Expanded monitoring, recordkeeping and reporting**

In addition to more stringent air pollution control standards, the draft general permits are also replete with new monitoring, recordkeeping and reporting requirements. For example, both permits would require operators to notify DEP at least 24 hours before any scheduled blowdown or venting, and within 24 hours after an unscheduled event. There are many new provisions relating to electronic reporting and email submissions. Permittees under GP-5 and GP-5A would be required to certify and submit an annual compliance report, which would be an entirely new exercise for production facilities.

### **Where do we go from here?**

Pay attention to what is said at December’s AQTAC meeting and, if you have not already done so, start digging into the draft permit materials. DEP’s timeline for the formal comment period should become clear after the AQTAC meeting. In the meantime, watch for updates from PIOGA’s Environmental Committee and plan to participate in the public comment process. Pursuant to 25 Pa. Code §127.612, DEP must provide a minimum of 45 days for the public to comment on a proposed general permit.

Many practical questions will need to be answered in the

days ahead. For instance, which general permit will apply when a well site is co-located with a compressor station? Are the general permit conditions consistent with overlapping federal requirements? Dig in, stay tuned and be prepared to provide input. ■

*For additional information about developments described in this article, contact Meredith Odato Graham at 412-773-8712 or [mgraham@babstcalland.com](mailto:mgraham@babstcalland.com), or Michael H. Winek at 412-394- 6538 or [mwinek@babstcalland.com](mailto:mwinek@babstcalland.com).*