

EPA Proposes to Withdraw Control Techniques Guidelines for the Oil and Natural Gas Industry: Fact Sheet

Overview of Action

- On March 1, 2018 the U.S. Environmental Protection Agency (EPA) signed a notice seeking public comment on withdrawing the 2016 Control Techniques Guidelines for the Oil and Natural Gas Industry (Oil and Gas CTG).
- CTGs provide recommendations for certain states and certain ozone nonattainment areas that are required to address emissions of smog-forming volatile organic compound (VOC) emissions from covered sources as part of their state implementation plans for meeting EPA's national standards for ground-level ozone. The 2016 Oil and Gas CTG included recommendations for reducing VOC emissions from existing oil and natural gas equipment and processes.
- The Oil and Gas CTG relied on data and conclusions that were used in the 2016 New Source Performance Standards (NSPS) for the oil and gas industry. Some of the recommendations included in the guidelines are tied to an earlier NSPS which was issued in 2012.
- EPA is reconsidering certain aspects of the 2016 NSPS and intends to look broadly at the rule during the reconsideration process. Because recommendations in the Oil and Gas CTG are fundamentally linked to the conclusions in the 2016 NSPS, the Agency believes it is prudent to withdraw the entire Oil and Gas CTG.
- EPA believes withdrawing the entire CTG will be more efficient for states, which otherwise might be required to revise their implementation plans twice -- once to address recommendations that are tied to the 2012 NSPS and potentially a second time after the reconsideration of the 2016 NSPS is complete.
- In addition, facilities throughout the oil and natural gas sector may contain some sources subject to the 2012 NSPS and other sources subject to the 2016 NSPS. Withdrawing the Oil and Gas CTG in its entirety will allow EPA to take a more holistic approach as it considers options for addressing VOC emissions from covered oil and gas sources.
- EPA will accept public comment for 45 days after the notice is published in the Federal Register. Instructions for submitting comments are at the end of this fact sheet.

About Control Techniques Guidelines

- Sections 182 and 184 of the Clean Air Act each require certain states to implement Reasonably Available Control Technology (RACT) to limit VOC emissions from existing sources that are covered by a CTG.
- CTGs are not regulations and do not impose legal requirements directly on pollution sources. Rather, they provide recommendations for state and local air agencies to consider as they determine what emissions limits to apply to covered sources in their jurisdictions in order to meet RACT requirements.
- The requirement to implement RACT applies in ozone nonattainment areas classified as "Moderate" and above, and throughout the Ozone Transport Region. Twenty-one nonattainment areas in the U.S. currently are classified as "Moderate" and above for the 2008 ozone standards.

- The Ozone Transport Region encompasses 11 northeast states and the metropolitan statistical area that includes Washington D.C., including portions of northern Virginia. The states are: Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island and Vermont.
- Withdrawing the Oil and Gas CTG would not prevent states from independently taking steps to reduce emissions from the oil and gas industry if they choose to do so. However, if the withdrawal is finalized, the states and ozone nonattainment areas would no longer be required to address RACT for covered oil and gas sources that are not major sources. The Clean Air Act requires RACT for major sources of VOC emissions in nonattainment areas classified as Moderate and above and throughout the Ozone Transport Region, independent of CTGs.

Avoided Costs and Forgone Emission Reductions

- EPA has analyzed emission reductions that would not occur and costs that would be avoided if the Oil and Gas CTG were withdrawn. The Agency's analysis examined two perspectives:
 - One perspective assumes that all states fully address RACT using the Oil and Gas CTG but would avoid any controls if the CTG were withdrawn. Using this perspective, EPA estimates that the oil and gas industry would avoid costs of \$49 million (3 percent discount rate) or \$45 million per year (7 percent discount rate), for a total of \$599 million (3 percent discount rate) or \$439 million (7 percent discount rate) from the years 2021 through 2035. The Agency's analysis using this perspective estimates that approximately 64,000 tons of VOCs per year would not be reduced if the CTG were withdrawn, along with nearly 200,000 tons of methane that would have been reduced annually as a co-benefit of reducing VOCs.
 - The Agency also analyzed avoided costs assuming that, even if the Oil and Gas CTG were withdrawn, some states might need to obtain VOC emission reductions from existing oil and gas sources as part of their state implementation plans for meeting the ozone standard. Using this perspective, the agency estimates that the oil and gas industry would avoid costs of \$1.2 million per year (3 percent discount rate) or \$1.6 million per year 7 percent discount rate under this perspective, totaling \$14 or \$16 million from 2021 through 2035 (using discount rates of 3 and 7 percent respectively). EPA's analysis using this perspective estimates that nearly 16,000 tons of VOCs per year, along with approximately 58,000 tons of methane, would not be reduced.
 - EPA is seeking comment on the uncertainty in the range of estimates.

How to Comment

- EPA will take public comment on withdrawing the Oil and Gas CTG for 45 days after a notice is published in the Federal Register. There are multiple ways to submit written comments. **Please be sure to label your comments with Docket ID number EPA-HQ-OAR-2015-0216 to ensure that EPA receives receive them.** Note that any multimedia comments, such as video recordings, must be accompanied by a written comment.
- **Label your comments with the correct Docket ID number, then submit them by any one of the following methods:**
 - **Online** - go to www.regulations.gov and enter **EPA-HQ-OAR-2015-0216** in the search box.

- Click on the “Comment Now!” button at the top right of the page, and follow the instructions for submitting your comments.
- **Email:** Send comments by e-mail to a-and-r-Docket@epa.gov, Attention Docket ID No. **EPA-HQ-OAR-2015-2016**. Please include the docket number in the subject line of your email message.
- **Fax:** You may fax your comments to: (202) 566-9744, Attention Docket ID No. **EPA-HQ-OAR-2015-2016**.
- **Mail:** You may mail your comments to Environmental Protection Agency, EPA Docket Center (EPA/DC), Mail Code 28221T, Attention Docket ID No. **EPA-HQ-OAR-2015-0216**, 1200 Pennsylvania Avenue, NW, Washington, DC 20460
- **Hand delivery/courier delivery:** Comments may be delivered to EPA Docket Center, Room 3334, EPA WJC West Building, 1301 Constitution Avenue, NW, Washington, DC 20004, Attention Docket ID No. **EPA-HQ-OAR-2015-0216**. Please note that hand/courier deliveries are only accepted during the Docket’s normal hours of operation, and special arrangements should be made for deliveries of boxed information.
- To read the notice of proposed withdrawal, visit EPA’s website at <https://www.epa.gov/controlling-air-pollution-oil-and-natural-gas-industry/actions-and-notices-about-oil-and-natural-gas#ctg>
- For tips on submitting comments, visit the “Commenting on EPA Dockets” web page at <https://www.epa.gov/dockets/commenting-epa-dockets> .