## EPA's Air Rules for the Oil & Natural Gas Industry

Proposed Amendments to the Federal Implementation Plan for the Indian Country Minor New Source Review Program for the Oil and Natural Gas Industry: Fact Sheet

## Summary of action

- On April 30, 2018, the U.S. Environmental Protection Agency (EPA) signed proposed amendments to the 2016 federal implementation plan (FIP) for managing air emissions from new and modified true minor oil and natural gas sources in Indian country. The FIP limits emissions of harmful air pollutants while providing streamlined construction authorization for new and modified "true minor sources" in the oil and natural gas production and natural gas processing segments of the oil and natural gas sector.
- The proposed amendments would allow the FIP to continue to apply in portions of the Uintah and Ouray Indian Reservation that may be included in an area EPA has designated as as nonattainment for the 2015 national ambient air quality standards for ozone. The current FIP applies only in areas designated as attainment, attainment/unclassifiable or unclassifiable.
- The proposed amendments would provide a permanent mechanism for streamlining construction authorizations for new and modified true minor sources on the reservation, including on the portions of the reservation that are designated as nonattainment. EPA designated the Uinta Basin nonattainment area on April 30, 2018. The effective date of the designation will be specified in a notice to be published in the Federal Register.
- The Agency also is seeking comment on whether the amendments should be temporary and expire before the start of the area's 2018-2019 wintertime ozone season.
- Separately, EPA is developing a reservation-specific rule for oil and natural gas sources on the Uintah and Ouray Indian Reservation. That rule will contain requirements to reduce ozone-forming emissions from existing, new and modified minor oil and natural gas sources on the reservation, while allowing continued development of its oil and natural gas resources. The reservation-specific rule also will help ensure consistency between regulatory requirements for oil and natural gas sources on the reservation and those on lands under state jurisdiction. EPA anticipates proposing the reservation-specific rule this summer.
- EPA will take public comment on the proposed amendments to the FIP for 45 days after the proposal is published in the Federal Register. See the end of this fact sheet for commenting instructions. The Agency will hold a public hearing May 30, 2018 at the EPA Region 8 office in Denver. Registration for the public hearing will open when the proposal notice is

published in the Federal Register. Instructions for registering to speak are included in the proposal notice.

## About the FIP

- New and modified "true minor sources" in the oil and natural gas production and natural gas processing segments of the oil and natural gas sector may comply with the FIP in lieu of seeking source-specific minor NSR preconstruction permits in Indian country.
  - For crude oil, production operations include equipment and activities generally found prior to the point where crude oil enters storage and transmission terminals where the oil is loaded for transport to refineries.
  - For natural gas, production and processing operations include equipment and activities that occur prior to natural gas plants or prior to the point where natural gas enters the transmission and storage segment for distribution.
- Under the federal Indian Country Minor New Source Review (NSR) rule, a "true minor source" is a stationary source that emits, or has the potential to emit, regulated NSR pollutants in amounts that are equal to or greater than minor NSR emissions thresholds but less than major source thresholds in either the Agency's Prevention of Significant Deterioration (PSD) program or federal major NSR program for nonattainment areas in Indian country – without the need to take an enforceable restriction to ensure its potential emissions remain below these levels.
- Owners/operators using the FIP must submit a specific two-part registration form, rather than a permit application. Under the FIP, sources must comply with eight federal air standards:
  - Performance standards for the Oil and Natural Gas Industry;
  - Performance standards for volatile organic compound (VOC) liquid storage tanks;
  - Performance standards for stationary compression ignition internal combustion engines;
  - Performance standards for stationary spark ignition internal combustion engines;
  - Performance standards for new stationary combustion turbines;
  - Air toxics standards for industrial, commercial and institutional boilers and process heaters;
  - $\circ$   $\;$  Air toxics standards for oil and natural gas production facilities; and
  - Air toxics standards for stationary reciprocating internal combustion engines.
- Owners/operators planning to use the FIP also are required to assess the potential for proposed construction to impact threatened and endangered species and historic properties.

## Designating areas for the 2015 ozone standards

- On Dec. 20, 2017, EPA informed the Ute Indian Tribe that the Agency planned to designate portions of Duchesne and Uintah counties in Utah as nonattainment for the 2015 ozone standards. Portions of the Uintah and Ouray Indian Reservation would be in the nonattainment area, which includes both Indian country and state-regulated lands.
- EPA signed designations for the 2015 ozone standards for most areas on April 30, 2018, including the Uinta Basin nonattainment area. The effective date of the designations will be specified in a notice to be published in the Federal Register.

How to comment

- EPA will take public comment on the proposed amendments for 45 days after the proposal is published in the Federal Register. There are multiple ways to submit written comments.
  Please be sure to label your comments with the Docket ID number for the proposed rule to ensure that we receive them.
- The Docket ID number for the proposal is **EPA-HQ-OAR-2014-0606**.
- Label your comments with the Docket ID number, then submit them by any one of the following methods:
  - **Online** go to <u>www.regulations.gov</u> at the following links:
    - https://www.regulations.gov/docket?D=EPA-HQ-OAR-2014-0606.
    - 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-2014-0606. Please include the docket ID 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-2014-0606.
  - 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-2014-0606, 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-2014-0606. 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.

• For tips on submitting comments, see <a href="https://www.epa.gov/dockets/commenting-epa-dockets">https://www.epa.gov/dockets/commenting-epa-dockets</a> .

For more information

- To read today's proposed amendments, visit <u>https://www.epa.gov/controlling-air-pollution-oil-and-natural-gas-industry/actions-and-notices-about-oil-and-natural-gas#regactions</u>.
- More information on the 2016 (FIP) for managing air emissions from new and modified true minor sources in Indian country is available at <a href="https://www.epa.gov/tribal-air/final-federal-implementation-plan-oil-and-natural-gas-true-minor-sources-and-amendments">https://www.epa.gov/tribal-air/final-federal-implementation-plan-oil-and-natural-gas-true-minor-sources-and-amendments</a> .
- Information on the April 30, 2018 designations for the 2015 ozone standards is available at <a href="https://www.epa.gov/ozone-designations/additional-designations-2015-ozone-standards">https://www.epa.gov/ozone-designations/additional-designations-2015-ozone-standards</a> .