



## EPA’s Supplemental Proposal to Reduce Pollution from Oil and Natural Gas Operations to Fight the Climate Crisis and Protect Public Health: Fact Sheet for Small Businesses

**November 11, 2022** – The U.S. Environmental Protection Agency (EPA) is proposing to update, strengthen and expand its November 2021 proposal to secure major climate and health benefits for all Americans by reducing emissions of methane and other harmful air pollution from both new and existing sources in the oil and natural gas industry.

The supplemental reflects input and information the Agency received from a diverse range of perspectives during the public comment period on the November 2021 proposal. EPA received more than 470,000 comments on the proposal, held a three-day public hearing, and offered government-to-government consultation to Tribal Nations. Using the information it received, the Agency also conducted updated analyses to determine the best system of emission reduction for several sources covered by the rule.

The resulting proposal simplifies compliance for owners and operators monitoring for leaks at well sites. It encourages the deployment and continued development of innovative and advanced monitoring technologies. It makes several changes to streamline training requirements for operators using optical gas imaging. And it would require that states include small businesses when they conduct meaningful engagement on state plans for reducing methane emissions from existing sources.

EPA will hold a training on the supplemental proposal for small businesses at 4 p.m., Wednesday, Nov. 30, 2022. For more information and to register to attend, [visit EPA’s oil and natural gas website](#).

### EPA’s Supplemental Proposal Creates a More Comprehensive Approach to Reducing Methane and VOC Pollution

The updated requirements EPA is proposing would apply to the Agency’s New Source Performance Standards (NSPS) for new, modified and reconstructed sources, and as presumptive standards to assist states in developing plans under the proposed Emissions Guidelines. Here are some of the key requirements in the supplemental proposal:

*Requiring Leaks Monitoring at Every Well Site, Until Wells Are Properly Closed, and Require Leaks Monitoring at Compressor Stations*

- After considering information and comments it received from the public, EPA is revising its November 2021 proposal to find and fix leaks at new and existing well sites. The supplemental proposal creates a cost-effective approach to ensure that every well site, regardless of size, is regularly monitored. This new approach will achieve more comprehensive reductions in leaks from well sites while streamlining compliance for owners and operators.

- The revised program would tie leak monitoring requirements to the types and amount of equipment at a site, rather than to estimated emissions, which will make it simpler for owners and operators to determine which monitoring requirements they must meet at a site.
- This approach removes exemptions from routine monitoring for well sites with lower emissions, which EPA had proposed in 2021, and it adds audio, visual and olfactory (AVO) inspections, where inspectors listen, look and smell for leaks, for smaller well sites. EPA is proposing monitoring requirements for four categories of well sites:
  - Single wellhead-only sites and small well sites would be required to conduct quarterly audio, visual and olfactory (AVO) inspections.
  - Wellhead-only sites with two or more wellheads would be required to conduct quarterly AVO inspections and monitor every six months using optical gas imaging (OGI) or EPA Method 21 (Method 21 is a method for determining leaks from process equipment.)
  - Sites with major production and processing equipment, and centralized production facilities, would be required to conduct bimonthly AVO inspections and to monitor quarterly using OGI or EPA Method 21.
  - Well sites on the Alaska North Slope would have different monitoring schedules to account for weather.
- Compressor stations would be required to conduct monthly AVO monitoring, coupled with quarterly monitoring using OGI or EPA Method 21.
- The supplemental proposal also includes leak repair deadlines for each type of site that range from 15 days to repair indications of leaks identified with AVO monitoring, to a first attempt at repair within 30 days for leaks identified with OGI, and a final repair within 30 days of the first attempt.
- After considering public comments, EPA is not including a requirement to conduct OGI monitoring according to the proposed [Appendix K](#) for well sites, centralized production facilities, or compressor stations. Instead, EPA is proposing to require that OGI surveys follow the procedures specified in the proposed regulatory text for the NSPS. As an alternative, owners and operators may survey for leaks according to EPA Method 21.

#### *Preventing Abandoned and Unplugged Wells*

- EPA is proposing that monitoring must continue at well sites until all wells have been plugged and equipment has been removed.

- Owners would have to submit a well closure plan that includes the necessary steps to close the wells. This includes plugging all wells, documentation of financial assurance to complete the well closure, and a schedule for completing closure activities. The closure plan would be due within 30 days after production has ended at all wells at the well site or centralized production facility.
- Once a well site is closed, owners/operators would have to conduct a final survey using OGI to ensure that no emissions are found. If emissions are detected, the owners/operators would have to make repairs and resurvey the site.

#### *Strengthening Requirements for Flares*

- EPA is proposing compliance requirements to ensure that flares meet all requirements for good performance, including requirements to monitor the flare to ensure that a pilot flame burns at all times. The Agency is also proposing monitoring requirements for enclosed combustors.
- In addition, EPA is proposing to limit the use of flares as part of improvements to proposed requirements to eliminate venting of associated gas from oil wells. The supplemental proposal would allow flaring of the gas only if the owner or operator demonstrates that other compliance options are infeasible for technical or safety reasons, and that demonstration is certified by a professional engineer.

#### *Creating a Super-Emitter Response Program*

- Studies show that large leaks from a small number of sources are responsible for as much as half of the methane emissions from oil and natural gas operations, along with significant amounts of smog-forming VOCs and air toxics that are of concern in many communities. These “super emitters” often are caused by malfunctions or abnormal operating conditions, including unlit flares and open thief hatches on storage tanks.
- While EPA’s proposed requirements would reduce the number of super emitters, EPA is also proposing a Super-Emitter Response Program to quickly identify these events for prompt mitigation. This program would leverage expertise and data from regulatory agencies or EPA-approved third parties with access to EPA-approved remote methane detection technology.
- Under the proposed program, regulatory authorities or qualified third parties that EPA has approved could notify owners and operators when a super emitter “event” (a leak of 100 kilograms per hour, or 220 pounds, or larger) is detected. Owners and operators would be required to conduct an analysis to determine the cause of the event identified in the notification and promptly mitigate any malfunctions, abnormal operations or leaks.
- To ensure that the super emitter response program operates transparently, notices sent to oil and natural gas owners and operators would be available on a public

website for easy access. The owners' and operators' response, along with any corrective actions taken, if needed, would also be on available on that website.

### The Supplemental Proposal Includes Changes to the Proposed Protocol for Using OGI

- In response to comments and information received during the public comment period, EPA is proposing several updates to “Appendix K,” the protocol for using OGI that EPA included in the November 2021 proposal. Appendix K would apply only for monitoring at natural gas processing plants. In the future, it could be used in rules for other industrial sectors.
- The proposed updates include:
  - Changes to operator training requirements, the definition of “senior OGI camera operator,” and updates to a proposed requirement that operators take rest breaks during OGI use.
  - Reducing the required dwell time (the active time an operator is looking for potential leaks when the scene is in focus and steady). It would update the camera certification requirement to allow either butane or propane to be used, and it would clarify who can perform initial certification testing.
  - For additional information, see the fact sheet on Appendix K on [EPA’s oil and natural gas website](#).

### Updates to Requirements for State Plans

- Once EPA issues an NSPS for certain pollutants, section 111(d) of the Clean Air Act requires the Agency to issue regulations establishing procedures for states to submit plans that reduce those pollutants from existing sources in the same industrial category. These regulations are known as “Emissions Guidelines.”
- Emissions Guidelines do not impose requirements directly on sources. Instead, they establish procedures for states to follow as they develop plans that establish, implement and enforce performance standards for “designated facilities,” which is the term EPA uses for existing sources.
- EPA is proposing several updates to requirements in the proposed Emissions Guidelines including:

#### *Requirements for Meaningful Engagement, Including with Small Businesses*

- The supplemental proposal expands on a requirement EPA proposed in November 2021 that states conduct meaningful engagement as they develop state plans to provide definitions and additional detail about meaningful engagement requirements.
- The proposed meaningful engagement requirement would be separate from the public hearings states are already required to hold. It would include “early outreach,

sharing information, and soliciting input on the state's plan" from "pertinent stakeholders," including small businesses.

- EPA would evaluate a state's meaningful engagement demonstration as part of its completeness evaluation of the state plan.

#### *Requirements for Applying a Less-Stringent Standard to a Source*

- State plans for implementing Emissions Guidelines must include standards that generally are as stringent as EPA's presumptive standards. However, the Clean Air Act allows states to apply a less-stringent standard to a particular existing source, or class of existing sources, based on the source's remaining useful life and other factors.
- EPA is proposing to allow states to apply a less-stringent standard to an existing source or class of sources if they can demonstrate:
  - The cost of control is unreasonable because of a facility's age, location or basic process design;
  - It is physically impossible or technically infeasible to install necessary emissions controls;
  - Factors specific to the facility are fundamentally different than factors EPA considered in determining the BSER.
- The supplemental proposal includes requirements for information that states must include in those demonstrations.
- EPA is proposing to require states to consider communities most affected by and vulnerable to the impacts of a particular facility as they calculate a less-stringent standard to apply to a particular source. State plans would have to identify where and how a less-stringent standard would affect communities, and describe the impacts the standard would have. States also would have to provide any feedback the state received on the less-stringent standard during meaningful engagement on development of its state plan.
- In addition, EPA is proposing to allow states to use a source's remaining useful life and other factors to apply a standard that is more stringent than the presumptive standards in the proposed Emissions Guidelines.

#### *State Plan Deadlines and Compliance Times*

- EPA is proposing to require states to submit their plans for review within 18 months after the final Emissions Guidelines are published in the Federal Register. The supplemental proposal does not include the timeline for EPA to review the plan; EPA will address that timeline in the upcoming proposed implementation rule.

- States would be required to impose a compliance deadline on existing sources that is no later than 36 months after the deadline to submit the state plan to EPA.

### EPA Will Offer Training on the Supplemental Proposal

- EPA will offer a training on the supplemental proposal for small businesses on Wednesday, November 30, 2022. The training will provide information on the supplemental proposal to help small businesses prepare for providing public comments. [Register to attend the training.](#)

### For More Information

- [Read the proposal, additional fact sheets, and instructions on submitting comments.](#)