Inventory of U.S. Greenhouse Gas Emissions and Sinks 1990-2023: Updates Under Consideration to Use New Offshore Data

This memo discusses updates under consideration for the 2025 *Inventory of U.S. Greenhouse Gas Emissions and Sinks* (GHGI) to incorporate new offshore emissions data. Year 2021 emissions data are available from the Bureau of Ocean Energy Management (BOEM) and EPA reviewed these data to consider updating the emission factors (EFs) that are used to calculate offshore emissions in the Gulf of Mexico (GOM).

EPA is incorporating the updates under consideration presented in this memo in the upcoming public review version of the 2025 GHGI. EPA will consider stakeholder feedback on the updates under consideration for inclusion in the final version of the 2025 GHGI.

1 Current GHGI Methodology

The current GHGI (i.e., 2024 GHGI) calculates emissions in the GOM for two areas: federal waters and state waters. For GOM federal waters, also referred to as the Outer Continental Shelf (OCS), data are available from the Bureau of Ocean Energy Management (BOEM). The emissions from GOM federal waters are then used to estimate emissions for GOM state waters, as discussed below. The current GHGI methodology for offshore production in the GOM is documented in the memo *Inventory of U.S. Greenhouse Gas Emissions and Sinks 1990-2018: Updates for Offshore Production Emissions* (referred to as the 2020 Offshore Production memo).¹

For GOM federal waters production, EPA calculates emissions for four categories of complexes, based on unique combinations of subcategories. Each complex is classified as either an oil or gas complex and either a major or minor complex. Section 3 provides additional background on the subcategories. The four resulting complex categories are:

- oil, major complexes;
- gas, major complexes;
- oil, minor complexes; and
- gas, minor complexes.

For major complexes in GOM federal waters, EPA applies year-specific and source-specific EFs at the complex level (i.e., emissions per complex) developed from the BOEM Gulfwide Emissions Inventory (GEI) dataset to estimate vent and leak emissions over the GHGI time-series for major complexes. EPA specifically developed an approach for major complexes where the BOEM GEI-based EFs for a particular year are generally used for the Inventory years on either side of the BOEM GEI year that provides the EF, as follows:

- EFs calculated from the 2005 BOEM GEI are applied to year 2005 only (due to the abnormal hurricane season impact);
- EFs calculated from the 2008 BOEM GEI are applied to 1990 through 2004 and 2006 through 2009;
- EFs calculated from the 2011 BOEM GEI are applied to 2010 through 2012;
- EFs calculated from the 2014 BOEM GEI are applied to 2013 through 2015; and
- EFs calculated from the 2017 BOEM GEI are applied to 2016 through 2022.

For minor complexes in GOM federal waters, EPA applies the 2014 and 2017 BOEM GEI minor complex sourcespecific EFs to estimate vent and leak emissions. EPA applies minor complex EFs calculated from the 2014 BOEM GEI to 1990 through 2015 and minor complex EFs calculated from the 2017 BOEM GEI to 2016 through 2022.

¹ The 2020 Offshore Production memo is available here: <u>https://www.epa.gov/sites/default/files/2020-04/documents/2020 ghgi update - offshore production final.pdf</u>

EPA uses the BOEM Platform Database to count total active complexes, subcategorized by major versus minor complexes, over the time series. EPA then uses the BOEM Oil and Gas Operations Reports – Part A (OGOR-A) Production Dataset to further subcategorize complexes as gas versus oil production.

EPA estimates flaring emissions in GOM federal waters using EFs on the basis of kg/MMBtu (along with yearspecific heat content) coupled with flared gas volumes. Flared gas volumes over the time series are available from historical activity data and BOEM Oil and Gas Operations Reports – Part B (OGOR-B) data.

EPA calculates GOM state waters production emissions by developing year-specific production-based EFs from the GOM federal waters data. EPA calculates EFs by dividing the GOM federal waters emissions for an emission source by the GOM federal waters production in each year. The production basis is also unique for oil complexes and gas complexes; oil production is used for oil complexes and gas production is used for gas complexes. EPA then uses annual state-specific offshore production paired with the production-based EFs to calculate emissions.

2 Available Data

The BOEM GEI is a periodic emissions inventory that estimates criteria pollutant and GHG emissions from offshore oil and gas production sources in GOM federal waters, and a new inventory is now available for the year 2021.² With the publication of the 2021 inventory there was a name change for the study. The newest study is titled *Outer Continental Shelf Air Quality System (OCS AQS): Year 2021 Emissions Inventory Quality Assurance/Quality Control (QA/QC) Study.* We refer to this as the BOEM 2021 OCS Emissions Inventory. The BOEM 2021 OCS Emissions Inventory provides similar information as the prior BOEM GEI studies, including emissions by source for each complex.

3 Analysis of Available Data

EPA reviewed and analyzed the BOEM 2021 OCS Emissions Inventory data to consider its use for updating the offshore production GOM calculation methodology in recent years of the GHGI time series. To calculate EFs from the BOEM 2021 OCS Emissions Inventory data, we applied the same approach that was previously used when calculating EFs from the BOEM GEI datasets. These details are available in the 2020 Offshore Production memo and key steps are summarized here. We split the BOEM 2021 OCS Emissions Inventory datasets into the following subcategories using separate datasets:

- <u>Oil complex versus gas complex</u>: The BOEM 2021 OCS Emissions Inventory does not explicitly define each complex as gas or oil, and we rely on BOEM OGOR-A production data to make these assignments. EPA applied the typical GHGI methodology to designate each lease, Area/Block, and Area as gas- or oil-production; entities with a gas-to-oil ratio (GOR) greater than 100 mcf/bbl are classified as gas-producing, and entities with a GOR less than 100 mcf/bbl as oil-producing. Complexes were then matched to leases, Blocks, and Areas (in order of decreasing granularity) and the match with the highest granularity was used to make the oil versus gas assignment (e.g., if a complex could be matched to a lease, then the lease GOR was used to make the oil versus gas assignment, but if a complex was not matched to a lease then the Area/Block-level GOR was used to make the oil versus gas assignment).
- <u>Major versus minor complex</u>: The BOEM 2021 OCS Emissions Inventory does not explicitly define each complex as major or minor but the BOEM Platform Database includes details for each complex, including whether each structure at a complex is "major" or "minor". A major structure is defined as containing at least six well completions or containing more than two pieces of production equipment; otherwise the structure is defined as minor. If a complex contained at least one major structure, then the complex was classified as major.

² Each emissions inventory study is available here: <u>https://www.boem.gov/environment/environmental-studies/ocs-emissions-inventories</u>

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Once each complex in the BOEM 2021 OCS Emissions Inventory was assigned to gas versus oil complex and major versus minor complex, EPA calculated emission source-level EFs for each category. The EFs equal the sum of source-level emissions divided by the applicable complex count for each category. Table 3-1 presents the EFs calculated for major complexes from the BOEM 2021 OCS Emissions Inventory data and from the most recent BOEM 2017 GEI data, for comparison. Table 3-2 presents the same information for minor complexes in the BOEM 2021 OCS Emissions Inventory data and the BOEM 2017 GEI data.

	2	017 GEI Data	а	2021 OCS Emissions Inventory Data					
Emission Source	Complex Count	CH₄ Emissions (mt)	Complex CH ₄ EF (mt/yr)	Complex Count	CH₄ Emissions (mt)	Complex CH₄ EF (mt/yr)			
Oil, Major Complexes									
Cold Vent		55,997	101.8		32,055	57.3			
Fugitives		39,340	71.5		21,185	37.9			
Pneumatic Pump		18,027	32.8		8,446	15.1			
Losses from Flashing		3,516	6.4		1,107	2.0			
Pneumatic Controller		11,035	20.1		5,081	9.1			
Combustion	550	8,532	15.5	559	3,411	6.1			
Glycol Dehydrator Unit	550	431	0.8		292	0.5			
Storage Tank		479	0.9		222	0.4			
Mud Degassing		78	0.1		69	0.1			
Minor Surrogate		0	0.0		0	0.0			
Amine Gas Sweetening		0	0.0		0	0.0			
Unit		_			-				
		Gas, Major C							
Cold Vent		6,023	65.5		604	6.5			
Fugitives		4,830	52.5	93	1,018	10.9			
Pneumatic Pump		3,995	43.4		96	1.0			
Losses from Flashing		43	0.5		6	0.1			
Pneumatic Controller		2,076	22.6		307	3.3			
Combustion	92	648	7.0		193	2.1			
Glycol Dehydrator Unit		9	0.1		0	0.0			
Storage Tank		16	0.2		5	0.0			
Mud Degassing		0	0.0		0	0.0			
Minor Surrogate		0	0.0		0	0.0			
Amine Gas Sweetening Unit		3	0.0		0	0.0			

Table 3-1. Summary of Emissions and Calculated EFs for Major Complexes in BOEM 2017 GEI Data and BOEM 2021 OCS Emissions Inventory Data

	2	017 GEI Data	a	2021 OCS Emissions Inventory Data						
Emission Source	Complex Count	CH₄ Emissions (mt)	Complex CH₄ EF (mt/yr)	Complex Count	CH₄ Emissions (mt)	Complex CH₄ EF (mt/yr)				
Oil, Minor Complexes										
Cold Vent		1,587	5.5		3,635	10.2				
Fugitives		4,282	14.8		3,219	9.1				
Pneumatic Pump		3,609	12.4		2,273	6.4				
Losses from Flashing		100	0.3		4	0.0				
Pneumatic Controller		848	2.9		338	1.0				
Combustion	290	462	1.6	355	632	1.8				
Glycol Dehydrator Unit	250	64	0.2		3	0.0				
Storage Tank		5	0.0		0	0.0				
Mud Degassing		0	0.0		50	0.1				
Minor Surrogate		0	0.0		0	0.0				
Amine Gas Sweetening Unit		0	0.0		0	0.0				
		Gas, Minor C	omplexes							
Cold Vent		339	5.6		63	0.9				
Fugitives		752	12.3	70	213	3.0				
Pneumatic Pump		278	4.6		196	2.8				
Losses from Flashing		0	0.0		0	0.0				
Pneumatic Controller		76	1.2		32	0.5				
Combustion	61	87	1.4		6	0.1				
Glycol Dehydrator Unit	01	1	0.0		0	0.0				
Storage Tank		0	0.0		0	0.0				
Mud Degassing		0	0.0		0	0.0				
Minor Surrogate		0	0.0		0	0.0				
Amine Gas Sweetening Unit		0	0.0		0	0.0				

 Table 3-2. Summary of Emissions and Calculated EFs for Minor Complexes in BOEM 2017 GEI Data

 and BOEM 2021 OCS Emissions Inventory Data

To more easily compare the EFs calculated from the 2021 and 2017 emissions inventory datasets, EPA summed the emission source-level emissions and calculated an overall average EF for each category. Table 3-3 summarizes the resulting average EFs for each category and dataset and presents the percent change in the EFs between the 2017 and 2021 datasets. Figure 1 visually depicts the average EFs for each category for the 2017 and 2021 datasets. There is a noticeable decrease in EFs calculated from the BOEM 2021 OCS Emissions Inventory.

All A Major or		2017 GEI Data			2021 OCS Emissions Inventory Data			% Change
Oil or Gas Complex Complex	Complex Count	CH₄ Emissions (mt)	Complex CH ₄ EF (mt/yr)	Complex Count	CH₄ Emissions (mt)	Complex CH ₄ EF (mt/yr)	in EF From 2017 to 2021	
Oil	Major	550	137,435	250	559	71,867	129	-49%
Gas	Major	92	17,642	192	93	2,230	24	-87%
Oil	Minor	290	10,957	38	355	10,155	29	-24%
Gas	Minor	61	1,533	25	70	509	7	-71%

Table 3-3. Comparison of Average EFs by Category Calculated From the BOEM 2017 GEI and theBOEM 2021 OCS Emissions Inventory Data

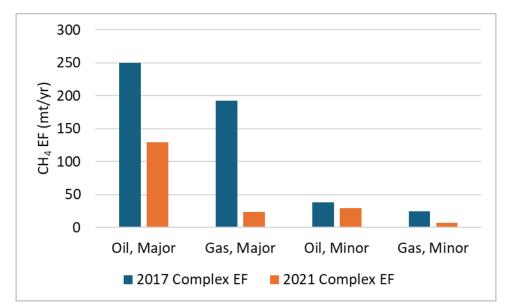


Figure 1. Comparison of Average EFs by Category Calculated From the BOEM 2017 GEI and the BOEM 2021 OCS Emissions Inventory Data

The BOEM studies represent emissions for offshore production in GOM federal waters. As discussed in Section 1, the GOM federal waters data are used to calculate GOM state waters emissions. This approach would not change for the update under consideration, and as a result, any decrease in GOM federal waters emissions would translate to a similar decrease for GOM state waters emissions.

4 Time Series Considerations

EPA currently applies the EFs calculated from the BOEM 2017 GEI for 2016 through 2022. For the update under consideration for the 2025 GHGI, EPA is considering applying the EFs calculated from the BOEM 2017 GEI for 2016 through 2018, EFs calculated from the BOEM 2021 OCS Emissions Inventory for 2020 through 2023, and calculating EFs that average both studies together for year 2019. The methodology for all other years of the time series would not be impacted by the update under consideration. EPA is also considering an alternative approach to incorporating the BOEM data across the time series; see Question 1 in Section 6 for further information.

5 National Emissions Estimates for Update Under Consideration for Offshore Production in the GOM

Table 5-1 presents the year 2022 CH₄ emission estimates for offshore GOM Federal and state waters for the 2024 GHGI and the updates under consideration for the 2025 GHGI. Oil complex CH₄ emissions are 45 percent lower, gas complex CH₄ emissions are 86 percent lower, and overall offshore GOM Federal and state waters CH₄ emissions are 50 percent lower in year 2022, for the update under consideration compared to the 2024 GHGI. Figure 2 compares CH4 emissions for the 2024 GHGI and the updates under consideration for the 2025 GHGI, for the years that would be impacted by the update (i.e., 2019 – 2022). Appendix A presents a more granular emissions comparison for the 2024 GHGI versus the updates under consideration for the 2025 GHGI over 2019 – 2022.

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Complex Type	Current 2024 GHGI (Year 2022)	Update Under Consideration for 2025 GHGI (Year 2022)				
Oil Complexes	164,395	89,752				
Offshore GOM Federal Waters	164,320	89,280				
Offshore GOM State Waters	75	472				
Gas Complexes	22,712	3,231				
Offshore GOM Federal Waters	12,757	1,815				
Offshore GOM State Waters	9,955	1,416				
Total	187,107	92,983				

Table 5-1. Comparison of CH ₄ Emissions (mt) for the 2025 GHGI Updates Under Consideration and
the 2024 GHGI, for Year 2022

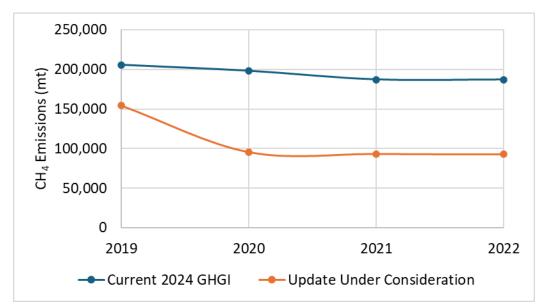


Figure 2. Comparison of CH₄ Emissions (mt) for the 2025 GHGI Updates Under Consideration and the 2024 GHGI, for Years 2019 - 2023

6 Requests for Stakeholder Feedback

EPA seeks stakeholder feedback on the updates under consideration discussed in this memo and the question below.

- 1. How should EPA incorporate the EFs calculated from the BOEM emissions inventory studies for the nonstudy years? EPA currently applies the BOEM-based EFs for the Inventory years on either side of the BOEM study (e.g., 2011 BOEM GEI is used for 2010-2012, 2014 BOEM GEI is used for 2013-2015). In the update under consideration, the approach discussed in Section 4 follows this basic approach. As an alternative, EPA is also considering the time series approach summarized below, in order to smooth trends over time which may be more reflective of the gradual change in emissions between years:
 - a. EFs calculated from the 2005 BOEM GEI would be applied to year 2005 only (due to the abnormal hurricane season impact);
 - b. EFs calculated from the 2008 BOEM GEI would be applied to 1990 through 2004 and 2006 through 2008;
 - c. Linear interpolation would be applied between the EFs calculated from 2008 BOEM GEI and the 2011 BOEM GEI for 2009 and 2010;
 - d. EFs calculated from the 2011 BOEM GEI would be applied to 2011;
 - e. Linear interpolation would be applied between the EFs calculated from 2011 BOEM GEI and the 2014 BOEM GEI for 2012 and 2013;
 - f. EFs calculated from the 2014 BOEM GEI would be applied to 2014;
 - g. Linear interpolation would be applied between the EFs calculated from 2014 BOEM GEI and the 2017 BOEM GEI for 2015 and 2016;
 - h. EFs calculated from the 2017 BOEM GEI would be applied to 2017;
 - i. Linear interpolation would be applied between the EFs calculated from 2017 BOEM GEI and the BOEM 2021 OCS Emissions Inventory for 2018-2020; and
 - j. EFs calculated from the BOEM 2021 OCS Emissions Inventory would be applied for 2021 forward.

Appendix A – Time Series CH₄ Emissions for Offshore Production in the GOM for the Current 2024 GHGI Compared to the Updates Under Consideration for the 2025 GHGI

Table A-1. Offshore GOM CH4 Emissions (mt) for 2019 - 2022 for the 2024 GHGI and the 2025 GHGI					
Updates Under Consideration					

Complex Type	2019	2020	2021	2022
Current 2024 GHGI				
Oil Complexes	178,558	167,001	165,720	164,395
Offshore GOM Federal Waters	178,488	166,931	165,651	, 164,320
Oil, Major Complexes	156,711	146,448	145,910	144,791
Oil, Minor Complexes	21,776	20,483	19,741	19,529
Offshore GOM State Waters	71	69	68	75
Gas Complexes	27,136	31,148	21,533	22,712
Offshore GOM Federal Waters	16,514	17,401	11,373	12,757
Gas, Major Complexes	14,739	15,519	10,179	11,421
Gas, Minor Complexes	1,775	1,881	1,194	1,335
Offshore GOM State Waters	10,622	13,748	10,160	9,955
Total	205,694	198,149	187,253	187,107
Update Under Consideration for 2	025 GHGI			
Oil Complexes	138,636	91,335	90,412	89,752
Offshore GOM Federal Waters	137,801	90,856	90,017	89,280
Oil, Major Complexes	118,669	75,347	75,070	74,495
Oil, Minor Complexes	19,132	15,509	14,947	14,786
Offshore GOM State Waters	834	480	394	472
Gas Complexes	15,521	4,449	3,064	3,231
Offshore GOM Federal Waters	9,435	2,485	1,618	1,815
Gas, Major Complexes	8,291	1,940	1,273	1,428
Gas, Minor Complexes	1,145	545	346	387
Offshore GOM State Waters	6,086	1,963	1,446	1,416
Total	154,157	95,784	93,476	92,983