



May 28, 2015

Nicole Owens
Director, Regulatory Management
Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

**Re: Comments on Small Business Advocacy Review Panel for the EPA rulemaking
“Emissions Standards for New and Modified Sources in the Oil and Natural Gas Sector”**

Dear Ms. Owens,

Thank you for the opportunity to provide additional comments on information we would like to see during the Small Business Advocacy Review Panel (SBAR) process that will assist us in providing meaningful comments on the potential impact on gas processors that are small businesses. I have consulted with GPA’s small business members, including our two Small Entity Representatives (SERs), and compiled the additional comments below.

During the May panel outreach meeting it became clear that EPA had read through and evaluated GPA’s previously submitted comments on EPA’s White Papers on potential sources of emissions in the oil and gas sector. We appreciate EPA going through and focusing on our previous submitted comments.

As we go through this process we want to reemphasize that it would be helpful to have a greater understanding of EPA’s response to GPA’s original comments on the EPA’s White Papers in order to evaluate this potential rule on methane emissions.

During this process it would be very beneficial if EPA addresses the following issues listed below. Having more information and /or answers to the below issues would provide the foundation to properly evaluate EPA's proposal's impact on small gas processors.

Fugitive Emissions

According to the data in EPA's White Papers, gas processing accounts for less than 10% of the emissions that EPA is trying to control. Since this is such a low percentage how will EPA ensure a cost effective fugitive emissions reduction program for processing plants beyond what they are already doing. If a small business is required to purchase expensive equipment or dedicate a significant portion of time to compliance then we will need more information on how EPA will ensure that the compliance cost will not negatively impact small businesses. More specifically, what steps does EPA plan to take to ensure small businesses are not burdened with excessive compliance costs.

Pneumatic Controllers

It would be beneficial to know if EPA is proposing switching to or requiring an instrument air system to be installed. This is an extremely costly option and would be cost prohibitive for small gas processing operations.

Pneumatic Pumps

Gas processing plants have a very small number of pneumatic pumps. It appears that there is little benefit trying to control pneumatic pump emissions from gas processing plants. It would be beneficial to know if EPA still plans on focusing on pneumatic pumps.

Compressor Seals

Capture options for small facilities include installation of vapor recovery systems. This option can be costly and problematic for small entities. Anytime you have an ultra-low pressure system capable of capturing vapors from packing vents, you also have the problem of pulling air/oxygen into the system. When you mix the two you can easily get explosive mixtures. Factor in that a number of these facilities are in remote locations and are only used if they are absolutely

necessary. It would be helpful to know if EPA is still considering vapor recovery systems as an option.

Compliance Issues for Small Businesses

An LDAR program for a small plant can run anywhere from \$15,000 to \$30,000 per year. This is a significant cost for small businesses. The paperwork involved with monitoring the LDAR can be quite burdensome. It is important that any paperwork requirements required by EPA are minimal and simple. Small companies do not have the extra staff to monitor complicated regulatory systems nor the budget to purchase such systems. Most, if not all, small businesses track all record keeping and compliance documents in excel spreadsheets. It would help our evaluation of the impacts to small businesses to know what steps EPA is considering to lessen the potential burdens (time, labor, costs). Small businesses are very sensitive to overhead costs. Therefore, many times employees are cross trained or perform a variety of tasks. Adding additional compliance requirements would result in either an increase in headcount or an increase in cost to outsource the duty.

EPA should not charge excessive fines and should provide a way to resolve compliance issue for small business in non-punitive/financial way. It would be helpful to know if EPA is considering this.

GPA hopes that EPA will be able to address the above listed issues. If you have questions, please contact me at (918) 493-3872 or by email at mwhite@gpaglobal.org.

Sincerely,

Matthew Hite
Vice President Government Affairs
Gas Processors Association