Midstream’s Greatest Resource

March 15, 2016

Via e-filing on www.regulations.gov

U.S. Environmental Protection Agency
EPA Docket Center
Mailcode 6207A
1200 Pennsylvania Avenue, NW
Washington, DC 20460


Dear Docket Clerk:


GPA has served the U.S. energy industry since 1921 as an incorporated non-profit trade association. GPA is composed of 130 corporate members of all sizes that are engaged in the gathering and processing of natural gas into merchantable pipeline gas, commonly referred to in the industry as “midstream activities.” Such processing includes the removal of impurities from the raw gas stream produced at the wellhead, as well as the extraction for sale of natural gas liquid products (“NGLs”) such as ethane, propane, butane and natural gasoline. GPA members account for more than 90 percent of the NGLs produced in the United States from natural gas processing. Our members also operate hundreds of thousands of miles of domestic gas gathering lines and are involved with storing, transporting, and marketing natural gas and NGLs.
The proposed rule would revise the monitoring requirements of 40 CFR Part 98 Subpart W (“Subpart W”) to align them with the proposed 40 CFR Part 60 NSPS Subpart OOOOa (“NSPS Subpart OOOOa”). As such, the Subpart W proposed rule would have significant impacts on GPA member companies because they own and operate a significant majority of the thousands of Onshore Natural Gas Processing Plants and Onshore Petroleum and Natural Gas Gathering and Booster stations that would be subject to both the proposed NSPS Subpart OOOOa and the proposed Subpart W.

While GPA appreciates the two week comment deadline extension granted by EPA, as stated in our extension request, the same resources that are evaluating this proposal are also preparing the 2015 Greenhouse Gas Reporting Program (“GHGRP”) reports and therefore have limited availability to thoroughly review the proposed rule and its implications. As such, we reiterate our request for a 60-day extension of the comment period. At a minimum, we request EPA evaluate any additional information GPA provides after the comment period ends. In addition, GPA respectfully requests that future proposals of GHGRP rulemakings avoid the reporting season (January 1 – March 31), which will help to eliminate an unnecessary burden on the reporting community and significantly improve the quality of the rulemaking process.

Similarly, to reduce burdens during the reporting season, we request that any changes to the calculation templates, reporting forms, XML schema and reporting instructions be made available by no later than October 31 prior to the next reporting deadline to give adequate time to update reporting systems for reporters. EPA’s historical practice of making these available in February (sometimes late February) is unworkable. From January 1 through March 31, reporters need to focus on collecting year-end data, performing calculations and completing reports. Not having final reporting tools available during this entire period creates undue burdens for reporters. Additionally, since EPA often defines specific reporting requirements only when the reporting forms and schema are released, it is critical that these tools be available by October 31 so that reporters can ensure their data collection and reporting systems will meet applicable requirements.
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I. EPA asserts that its proposed action is authorized by Section 114 of the Clean Air Act; however, EPA has provided no basis for concluding that the specific monitoring requirements it proposed in this rule are reasonable or consistent with Section 114.

EPA’s Proposed Rule should be withdrawn because it is premised on the fundamentally flawed legal position that its proposed action is authorized by section 114 of the Clean Air Act (“CAA”). As it has in past rulemakings related to Subpart W, EPA claims that “section 114(a)(1) provides the EPA broad authority to require the information proposed to be gathered by this rulemaking because such data would inform and are relevant to the EPA’s carrying out a wide variety of CAA provisions.” 80 Fed. Reg. at 4990. As the support for this claim of broad authority, EPA cites the preambles to its proposed and final greenhouse gas (“GHG“) reporting rules. Id. (citing 74 Fed. Reg. 16,448 (Apr. 10, 2009) and 74 Fed. Reg. 56,260 (Oct. 30, 2009)). Those preambles do not provide sufficient legal justification for EPA’s interpretation of section 114 as it applies to this proposed rulemaking. Indeed, those documents merely note that the information collected by the GHG reporting rule might be used to inform decisions about whether and how to use CAA section 111 to regulate GHGs or to inform implementation of EPA’s “non-regulatory strategies and technologies for preventing or reducing air pollutants” under CAA section 103(g). 74 Fed. Reg. at 56,264; see also 74 Fed. Reg. at 16,454-55.

GPA has argued repeatedly in EPA’s Subpart W rulemaking proceedings that section 114 provides EPA with only limited authority to require sources to gather and report emissions data to EPA. As with prior iterations of Subpart W (and, indeed, with regard to the GHG reporting program as a whole), EPA has provided no basis for concluding that the specific monitoring requirements it proposes in this rule are reasonable or consistent with the requirements of section 114. On the contrary, this broad-based proposed rule represents an unreasonable and unprecedented expansion of EPA’s general information gathering authority.

Section 114 provides EPA with authority to collect information “[f]or the purpose of (i) developing or assisting in the development of [regulatory programs and standards under CAA §§ 110, 111, 112, and 129], (ii) of determining whether any person is in violation of any such standard or any requirement of such a plan, or (iii) carrying out any provision of this chapter” except for Title II requirements, which are covered by CAA § 208 (a similar Title II information request provision). Prior to the GHG reporting rule and EPA’s related Subpart W revisions, the Agency had consistently used its section 114 authority in a targeted fashion where the specific need for the information had been well-defined. The Proposed Rule would continue EPA’s recent and unauthorized trend of seeking broad GHG data gathering related to no specific enforcement concern and no specific future rulemaking activity, as part of a program that is not limited to any discrete period of time.

The Proposed Rule continues EPA’s string of recent, unreasonable actions under section 114, and the Agency’s bare assertion that section 114 authorizes its proposal
is not sufficient to satisfy the agency’s obligation to support its proposed rulemaking with an adequate rationale. For those reasons, EPA should withdraw its Proposed Rule.

II. There are substantive and procedural flaws with EPA’s proposal to incorporate by reference in Subpart W the new leak monitoring methods that EPA has proposed in NSPS Subpart OOOOa.

a. EPA has violated the notice requirements of the CAA.

EPA proposes that Subpart W reporters may, or in some cases must, follow requirements set out in proposed NSPS Subpart OOOOa. See 80 Fed. Reg. 56,593 (Sept. 18, 2015). Among other things, the proposed NSPS Subpart OOOOa would require well sites or compressor stations to monitor fugitive emissions using optical gas imaging (“OGI”) at a wide range of equipment, including valves, pumps, connectors, and pressure relief devices. See 81 Fed. Reg. at 4989. Sources regulated under Subpart W currently calculate emissions from leaks at such equipment based on equipment counts. Id. In this Proposed Rule, EPA would “augment the equipment leak requirements in Subpart W with the fugitive emissions detection methods proposed for the NSPS Subpart OOOOa.” Id. at 4990. Specifically, EPA states that:

Under these proposed amendments, facilities with an NSPS Subpart OOOOa affected well site or compressor station fugitive emissions source would use the data derived from the proposed NSPS Subpart OOOOa fugitive emissions requirements along with the Subpart W equipment leak survey calculation methodology and leaker emission factors to calculate and report their GHG emissions to the GHGRP [Greenhouse Gas Reporting Program].

Id.; see also id. at 5002 (proposing 40 CFR § 98.234(a)(6), which would incorporate the NSPS Subpart OOOOa OGI monitoring requirements located in proposed 40 CFR § 60.5397a via cross-reference).

This key component of EPA’s Proposed Rule is fatally flawed because EPA has failed to provide adequate notice of its proposal. The Administrative Procedure Act (“APA”) and section 307(d)(3) of the CAA require EPA to provide, at the time it proposes a rule, a complete rulemaking proposal. Under the APA, the actual “terms or substance of the proposed rule” must be made publicly available. 5 U.S.C. § 553(b). CAA section 307 imposes even more stringent requirements, including, as the D.C. Circuit has explained, the actual regulatory text of any proposed rule. See, e.g., Small Refiner Lead Phase-Down Task Force v. EPA, 705 F.2d 506, 519 (D.C. Cir. 1983). EPA has satisfied neither of these fundamental requirements with its Proposed Rule.
Because the NSPS Subpart OOOOa leak monitoring methods are merely proposed at this time, there is every possibility that they may change. Whether those changes will be workable under Subpart W cannot be evaluated until EPA completes the NSPS Subpart OOOOa rulemaking, and the comment period for this Proposed Rule will close before that takes place, effectively foreclosing complete public review of the Proposed Rule. For that reason, GPA supports the Texas Pipeline Association’s comment that the current rulemaking is premature because it would incorporate Subpart OOOOa provisions that are still subject to change. EPA should finalize Subpart OOOOa before it proposes Subpart W rules that incorporate Subpart OOOOa provisions.

b. EPA compounds its procedural shortcoming by attempting to limit substantive comment in this rulemaking proceeding.

In section I.B. of the preamble EPA states that it is only seeking comment on the greenhouse gas (“GHG”) portion of this new proposed amendment to Subpart W. EPA further states that it will not take comment on the requirements of the NSPS Subpart OOOOa as part of this rulemaking process. 81 Fed. Reg. at 4990. (“We will not consider comments that are outside the scope of this proposed rulemaking, such as comments on the proposed requirements of the NSPS Subpart OOOOa or the proposed Methane Challenge Program, in this rulemaking process.”).

Industry will not be able to provide detailed and accurate comments on the rule if it abides by EPA’s proposed parameters for commenting on this rulemaking. As explained above, EPA has tied the Proposed Subpart W Rule to the Proposed NSPS Subpart OOOOa by cross-referencing NSPS Subpart OOOOa in the Subpart W amendment. GPA submitted comments on the proposed NSPS Subpart OOOOa to EPA on December 4, 2015, and strongly feels that many of those comments directly apply to this rule as well. Accordingly, what NSPS Subpart OOOOa will require is a central question that must be addressed in this rulemaking because it dictates the emissions that would have to be reported under Subpart W. Therefore, the substantive requirements of NSPS Subpart OOOOa must be open for modification in light of EPA’s proposal to incorporate elements of that proposal in Subpart W.

Further, under EPA’s proposal, “[i]f the NSPS Subpart OOOOa is amended in the future to incorporate other emerging technologies and/or major advances in fugitive monitoring, then the Subpart W requirements will be updated by reference as well.” Id. Again, EPA is proposing to implement regulatory changes under Subpart W in the future without adequate procedural safeguards and with improper limitations on substantive comment. A change that is appropriate under NSPS Subpart OOOOa may not be appropriate under Subpart W. That issue cannot be evaluated until a specific change has been proposed and subjected to public comment as part of a rulemaking proceeding specific to Subpart W. EPA’s Proposed Rule would essentially prejudge the outcome of such a rulemaking proceeding and is not permissible under the CAA.
c. GPA requests that EPA remove the specific citations to NSPS Subpart OOOOa in the regulatory text of the Proposed Rule and reference NSPS Subpart OOOOa in a more general manner as providing one of several compliance options.

GPA understands that EPA’s intent in this Proposed Rule is to reduce the burden on reporters by providing specific references to NSPS Subpart OOOOa within the proposed rule. In referencing NSPS Subpart OOOOa, EPA is in fact doing the opposite. Setting aside the problems associated with EPA’s reliance in this proposed rulemaking on provisions contained in yet another proposed rule, as discussed above, EPA’s proposed approach is bound to cause confusion among reporters. Indeed, NSPS Subpart OOOOa itself references 40 CFR Part 60 Subpart VVa, which in turn references 40 CFR Part 60 Subpart VV. This unnecessary complexity could be avoided if EPA were instead to reference NSPS Subpart OOOOa in a more general manner as described below, providing one of several compliance options.

By proposing to include specific requirements in Subpart W (i.e., specific citations to NSPS Subpart OOOOa), EPA would preclude reporting of the most accurate data available. GPA suggests that EPA revise Subpart W with a more generalized approach to the use of leak survey data. Rather than specifically citing NSPS Subpart OOOOa and including specific measurement methods, we request that EPA allow leak survey results from any leak detection program required by a federal rule, a state rule, an air permit, or the methane challenge program.

In order to minimize confusion GPA has commented on previous Subpart W rulemaking proposals that reporters should be allowed to use more accurate leak calculation methodologies than those provided for by the Subpart W rules, if those methodologies are available to them. Because many of the emission factors in Subpart W cannot be changed, companies that participate in mandatory or voluntary programs are not permitted to demonstrate actual emission reductions that occur over time. If a company has a site that is subject to such a program, like Colorado Regulation 7, for instance, but not NSPS Subpart OOOOa, data from that program should nevertheless be used. Moreover, if a company has measured emissions data for a particular source type, the measured data should be allowed as an alternative to the prescribed Subpart W calculation methods.

III. The definition of equipment leaks in this proposed rule as well as the proposed NSPS Subpart OOOOa is expansive and inappropriate.

By incorporating elements of the NSPS Subpart OOOOa proposal, EPA is also proposing here a new definition for fugitive emission components that is unduly broad and inconsistent with previous definitions under other NSPS rules. GPA
previously submitted comments on proposed NSPS Subpart OOOOa regarding the
definition of “fugitive emission components”. The definition of that term is unduly
broad because it includes equipment that is designed to vent, and it’s inconsistent
with long-standing regulatory precedent for the definition of fugitive components.
These problems will generate confusion. That confusion will be compounded by the
fact that, under this proposal, one set of equipment is defined to produce fugitive
emissions at gas processing plants and a separate set of equipment is defined to
produce fugitive emissions at compressor station sites (see NSPS Subpart OOOOa
definitions of “Equipment” and “Fugitive emissions component.”) In addition, there
is potential for confusion regarding the numerous leak detection reporting programs
that can apply at a single gas processing plant (see Comment IX).

GPA recommends that EPA utilize the definition of fugitive emission component that
has been long-established in EPA’s regulations. Those regulations properly limit
fugitive emission components to pumps, pressure relief devices, open-ended valves or
lines, valves, and flanges or other connectors.

IV. Any finalized revisions to Subpart W should become effective starting in the
following reporting year after which the Subpart W revisions are finalized.

To date, Subpart W has never referenced or required the use of monitoring or survey
results from any NSPS regulation. Because NSPS Subpart OOOOa is still in the
proposal stage, there is considerable uncertainty over when it will be finalized, when
that rule’s first compliance deadline will fall, and what changes will be made in the
final rule. In addition, there has never been an extensive Subpart W revision in which
the revisions are also effective the same year in which the revision was proposed.
Implementation of these two programs simultaneously has not been adequately
assessed in EPA’s cost analysis, but it is nevertheless clear that incorporating and
implementing two rule changes in a very short timeframe will add a significant initial
burden to GHG reporting programs. Therefore, GPA requests that the requirement to
use the results of NSPS Subpart OOOOa monitoring not be effective until the
reporting year after the revision Subpart W is finalized (for example, if that revision
is finalized in late 2016, the revision would not be effective until January 1, 2017). If
companies wish to use the NSPS Subpart OOOOa leak detection and repair
(“LDAR”) results ahead of the Subpart W revision rule’s effective date, it should be
an optional methodology in addition to the existing leaker survey methodologies. To
do otherwise would essentially make these Subpart W revisions apply retroactively,
and there is no precedent for retroactive requirements in Subpart W of the GHGRP.

1 Sutton, Mark, President and Chief Executive Officer, Gas Processors Association, to U.S.
Environmental Protection Agency. “Comments on Oil and Gas Sector: Emission Standards for
New and Modified Sources, Proposed Rule (Docket EPA-HQ-OAR-2010-0505)” December 4,
V. Reporters should be allowed the option to use the major equipment count methodology at NSPS Subpart OOOOa facilities.

EPA should address the incongruity in reported GHG emissions that will occur at natural gas compressor stations as a result of the expansive NSPS Subpart OOOOa definition of fugitive emission component. Consider a pair of compressor stations: one subject to NSPS Subpart OOOOa and the other not subject to those requirements. At the first compressor station, emissions will be based on an OGI survey covering equipment included in the expansive definition of fugitive emissions component and “leaker” emission factors. At the second station, emissions will be based on major equipment counts, valve factors and “population” emission factors. The drastic differences in methodologies are likely to create significant differences in calculated emissions that would be purely an artifact of the different approaches utilized across the stations, and not due to real conditions, such as differences in maintenance practices. A newer compressor station subject to Subpart OOOOa could “appear” to have more leaks and therefore be assumed to have poorer maintenance practices than a nearby older station that is not subject to Subpart OOOOa.

GPA recommends that EPA allow facilities the option to use the major equipment count methodology at NSPS Subpart OOOOa facilities so that a company can compare emissions across all their facilities.

VI. A small natural gas processing plant should not be required to use multiple leak detection methodologies; therefore, GPA recommends that EPA alter the proposed rule to allow all the methodologies in 98.234(a).

GPA requests clarification regarding certain small natural gas processing plants (processing less than 25 million standard cubic feet per day (“MMscfd”) or emitting less than 25,000 metric tons (“MT”) of carbon dioxide equivalent (“CO2e”) pursuant to 98.230(a)(3) and 98.2(a)(2)) that could be forced to use two methods of leak detection monitoring, thereby causing duplicative work, increased burden to reporters and additional unnecessary expense. In the rulemaking proceeding that led to greenhouse gas reporting requirements for the gathering and boosting source category (80 FR 64262), a commenter stated that there may be confusion regarding which equipment should be reported under each industry segment. EPA’s response said, “EPA is reiterating the intention for the Onshore Petroleum and Natural Gas Gathering and Boosting segment to cover equipment and emission sources not included in reporting for the existing Onshore Petroleum and Natural Gas Production or Onshore Natural Gas Processing segments.” Based on that response, it is possible to interpret Subpart W to require a new, small natural gas processing plant that does not process enough natural gas and does not emit enough greenhouse gases to trigger reporting under the natural gas processing industry segment, to report under the gathering and boosting industry segment. Under the proposed rule, this natural gas processing plant would be required to utilize OGI (40 CFR 98.234(a)(6), as proposed) as the monitoring method for GHG compliance (see Table 2, 81 FR 4987). However, this natural gas processing plant would also be required to utilize EPA Reference
Method 21 (“RM21”), as specified in NSPS Subpart OOOOa, to satisfy equipment leak standards (40 CFR 60.5400a, as proposed). In contrast, a larger natural gas processing plant that must be included in the natural gas processing industry segment would be allowed to utilize RM21 for GHGRP compliance (40 CFR 98.234(a)(2)) and would be required to also use RM21 for NSPS Subpart OOOOa compliance. Therefore, if this interpretation is correct, smaller gas processing plants could be unduly penalized under the proposed rule due to the requirement to use two methods for leak detection.

GPA requests clarification on this applicability issue and, if reporting is required under the gathering and boosting industry segment, recommends that EPA alter the proposal to provide relief for these small natural gas processing plants. In addition to NSPS Subpart OOOOa OGI requirements, these plants should have the option to utilize the other five monitoring methods in 98.234(a)(1)-(5), including EPA RM21 results, to satisfy GHGRP requirements if so desired. A small natural gas plant should not be required to use multiple methodologies.

GPA recommends adding subparagraph (v) to 98.233(q)(1) and changing language in 98.234(a) as follows:

98.233(q)(1)(v) Except as specified in paragraph (q)(1)(iv) of this section, equipment component types in 98.232(j)(10) that are subject to 40 CFR part 60, Subpart OOOOa, and which are located at small gas processing plants excluded from the onshore natural gas processing source category under 98.230(a)(3) due to an annual average throughput of less than 25 MMscf per day are subject to the equipment leak emissions calculation procedures in paragraph (q)(2) of this section.

98.234(a) You must use any of the methods described in paragraphs (a)(1) through (5) of this section to conduct leak detection(s) of through-valve leakage from all source types listed in §98.233(k), (o), and (p) that occur during a calendar year. You must use any of the methods described in paragraphs (a)(1) through (6) of this section to conduct leak detection(s) of equipment leaks from component types listed in §98.233(q)(1)(i), (ii) and (v) that occur during a calendar year. To conduct leak detection(s) of equipment leaks from component types listed in §98.233(q)(1)(ii), you must use the method described in paragraph (a)(6) of this section.

VII. The calculation methodology in 98.233(q)(2) and Equation W-30 are overly conservative and significantly overestimate emissions from leakers, thereby diminishing EPA’s goal of achieving more accurate reported emissions from this rule.

The value “Tp, z” in Equation W-30 requires reporters to assume the worst-case amount of time that a leaking component could have been leaking. This assumption is not consistent with real-world conditions. Equipment at these sites is checked
regularly through walk-throughs, SCADA systems, and other monitoring. Many malfunctions that may result in a leak are identified and repaired independently from an OGI survey via these methods. Thus, it is unreasonable to assume, as Equation W-30 requires, that a leaker exists from the start of the year or from the preceding survey.

As an example, assume that a valve in gas service at a compressor station in the Eastern U.S. malfunctions on December 1, but is not detected until an OGI survey on December 31, where it is repaired the same day. This valve was a “leaker” for 30 days and a “non-leaker” for 335 days over the year. Using the emission factors in Tables W-1A and W-1E, yields:

\[ 3,745 \text{ scf/yr} = 30 \text{ days/year} \times 24 \text{ hrs/day} \times 4.9 \text{ scf/hour} + 334 \text{ days/year} \times 24 \text{ hrs/day} \times 0.027 \text{ scf/hour} \]

However, using the proposed approach in Equation W-30 requires an assumption that this valve was leaking for the entire year, 365 days:

\[ 42,924 \text{ Scf/yr} = 365 \text{ days/year} \times 24 \text{ hrs/day} \times 4.9 \text{ scf/hour} \]

Thus, there is over an eleven-fold difference between the actual leakage from this valve and the value calculated by Equation W-30. This methodology applied across an entire industry segment, such as Gathering and Boosting, will significantly overestimate emissions.

This is contrary to EPA’s aim as noted in the Preamble:

Therefore, to track changes in emissions in the data reported to the GHGRP from year to year (e.g., to show reduced emissions for facilities implementing a regulatory or voluntary LDAR program or a fugitive emissions monitoring and repair program), we are proposing that facilities that conduct leak surveys use the actual number of leaks identified and the proposed leaker emission factors to determine their equipment leak emissions instead of the default population emission factors (FR 4992).

Therefore, GPA proposes that EPA change the value “Tp, z” in Equation W-30 to reflect the time leaking as calculated using an engineering estimate based on best available data. There is precedent throughout Subpart W for using such engineering estimates to determine data that is not otherwise recorded.

VIII. Emissions Factor Development

a. More time and research is needed to review the datasets being used as the basis for the factors to ensure that emission sources are accurately represented.
GPA appreciates the technical support document that outlines why EPA used the leaker factors from the 1995 EPA Protocol; however, since the dataset is over 20 years old and the new studies referenced do not provide many data points from the gathering and boosting industry segment (8 gathering facilities in the Fort Worth Air Study), more time and research is required to determine whether the leaker factors accurately represent emissions. As stated in the introduction to these comments, we simply do not have the availability to thoroughly review the proposed emission factors, and GPA requests EPA evaluate any additional information provided after the comment period deadline.

b. GPA recommends that EPA consider all information and studies related to emission factor development.

On numerous occasions, EPA references the study by Subramanian, R., et al., 2015, “Methane Emissions from Natural Gas Compressor Stations in the Transmission and Storage Sector: Measurements and Comparisons with the EPA Greenhouse Gas Reporting Program Protocol,” Environ. Sci. Technol., vol. 49, pp. 3252–3261, February 10, 2015 and uses it as justification to develop a leak factor for sites that the study has deemed “super emitters”. GPA urges EPA to take a step back and review other studies that are being conducted, some of which have yielded the same results and yet have drawn different conclusions. More research needs to be done before relying solely on one set of studies.

GPA strongly urges EPA to consider all studies and information regarding oil and gas site emissions footprints and not rely on a single study when developing regulations with far-reaching consequences.

c. Emission factors should not be developed for upset emission events.

EPA should not develop emission factors for events determined to be the result of upset conditions that may be found during OGI surveys. State air regulations typically require upset events to be documented and potentially reported. EPA should not require companies to report a less accurate account of these emissions in Part 98 reporting.

IX. All Natural Gas Processing Plants must be allowed to continue to use plant-wide OGI surveys for leak detection of all components.

Processing plants that are subject to multiple NSPS requirements (e.g. NSPS Subpart KKK and NSPS Subpart OOOOa) will be required to use multiple leak detection methods under the proposed rule, which will lead to unnecessarily confusing and complex requirements for reporters.

In “Table 2 – Proposed Equipment Leak Requirements for Subpart W” in the preamble to the proposed rule, EPA sets forth the calculation methodologies for reporters to use to report their emissions from equipment leaks. For an Onshore
Natural Gas Processing plant, Table 2 states that components subject to NSPS Subpart OOOOa must use RM21 for leak detection, while components not subject to NSPS Subpart OOOOa can use “[a]ny method in 40 CFR 98.234(a)” (which includes OGI, RM21, infrared laser beam illuminated instrument and acoustic leak detection).

NSPS LDAR rule applicability is based on the date of construction, modification, or reconstruction of an individual process unit within a gas plant. It is very common for reporters to have situations where one Natural Gas Processing Plant falls into multiple LDAR programs. For example, if a facility has three individual processing units it is likely that the facility will be subject to three different sets of LDAR requirements; Subpart KKK, Subpart OOOO and Subpart OOOOa, depending on the dates of construction, modification, or reconstruction.

According to Table 2, in the scenario above, a reporter would be required to use RM21 leak results from Subpart OOOOa compliance for the components in the process unit subject to Subpart OOOOa. For the other two process units, the reporter would be allowed to use leak results from, say, an OGI survey, or from the respective NSPS RM21 monitoring results. However, within the Subpart KKK and Subpart OOOO process units, there may exist components that are in methane service (and therefore subject to the GHGRP) but that are not in VOC service (and therefore not subject to the NSPS). Those components would need to be monitored for GHGRP, and so the reporter would need to combine a third data set to get the total plant leak count.

The simple alternative is to allow reporters to continue to use an OGI survey for the entire plant to count leaking components. This is a very simple approach that results in one complete dataset instead of cobbling together multiple incomplete datasets. Indeed, EPA has been allowing this approach for six years; there is no reason why EPA should now insist that NSPS monitoring results be required to be used for gas processing plants. Furthermore, in 98.234(a), OGI and RM21 are deemed to be equivalent leak detection methods. Thus, it is arbitrary and capricious for EPA to now insist that certain components now must be monitoring with RM21 only.

The proposed rule text appears to mostly be in agreement with our assertion (although it is in disagreement with Table 2). We proposed the following change:

98.233(q) Equipment leak surveys. (1) Applicability.
(i) Except as specified in paragraph (q)(1)(iv) of this section, you must use any of the methods described in §98.234(a) to conduct leak detection(s) of equipment leaks from all equipment leak component types listed in §98.232(d)(7), (d)(8), (e)(7), (f)(5), (g)(4), (h)(5), and (i)(1), and you must calculate equipment leak emissions for these equipment leak component types using the procedures specified in paragraph (q)(2) of this section.
(ii) Except as specified in paragraph (q)(1)(iv) of this section, equipment component types in §98.232(c)(21), (d)(8), (e)(8), (f)(6), (f)(7), (f)(8), (g)(6), (h)(7), and (j)(10) that are subject to 40 CFR part 60, Subpart OOOOa are
subject to the equipment leak emissions calculation procedures in paragraph (q)(2) of this section.

X. The final rule must include very specific reporting requirements in 98.236.

In the final rule, EPA must ensure that reporting requirements are highly specific such that they will translate readily into reporting forms and schema without further interpretation by EPA. GPA members have found that unclear reporting requirements have resulted in EPA requesting information in the data collection forms that reporters were not anticipating. When that happens, reporters often have had to modify data collection processes, documentation and reporting systems in final weeks before the reporting deadline since, historically, EPA has not made the forms available before mid-February.

EPA should avoid similar problems in this rulemaking. For example, EPA needs to clarify its intent in 98.236(q)(1)(iii), “Indicate whether any equipment leak component types were subject to 40 CFR part 60, NSPS Subpart OOOOa.” In response to this provision, does EPA expect a single “yes/no” response (this is what GPA would expect and prefer)? Or does EPA expect a “Yes/No” indication for each component type? Further clarification would be appropriate. Indeed, it is especially important that reporting requirements be clear and concise for gas plants that may be subject to multiple NSPS leak detection and repair programs.

XI. EPA’s significantly underestimates costs and time.

a. GPA resubmits the comment previously submitted on February 24, 2015, stating EPA’s assumption of 200 ONGGB respondents is unsubstantiated.

GPA does not understand how EPA’s estimate of 200 onshore natural gas gathering and boosting (“ONGGB”) respondents was derived. In the Assessment of Impacts, EPA states that “[a]ccording to the Office of Pipeline Safety (OPS), there are 400 natural gas gathering pipeline operators under regulation by OPS. OPS estimated that 50% of these operators are potentially subject to the new regulation (depending upon proximity to population centers), resulting in approximately 200 reporters.” Further, in the Supporting Statement, Appendix B, footnote “c,” EPA states; “[a]ssuming that 50% of the 400 natural gas gathering pipeline reporters are large diameter, high pressure lines potentially subject to regulation.” GPA fails to understand how “proximity to population centers,” pipeline diameter, or pipeline pressure relate to rule applicability. If an ONGGB facility is aggregated across a county or a basin, it is more likely that combustion emissions will exceed reporting thresholds long before pipeline blowdown emissions come close to exceeding reporting thresholds. In addition, EPA estimates that the number of reporters under the Onshore Natural Gas Processing industry segment will total 291 reporters. GPA wishes to point out that by the
nature of the industry, any company with a processing plant will most likely also have an associated gathering system subject to reporting; therefore, the number of reporters in the ONGGB industry segment will total 291, at minimum, and could potentially be higher.

GPA recognizes that EPA refuted this comment in Section IV of the preamble for the Final Subpart W gathering and boosting (“G&B”) rule; however, GPA wishes to reiterate that EPA’s assumptions are still incorrect. As GPA has already pointed out, G&B assets are designed to gather gas from the field and bring it to a natural gas processing plant. Most, if not all, gathering companies have natural gas processing stations associated with them, which would put the number of reporters at a minimum of 291, with the chance that the number is substantially more, not the other way around.

b. EPA’s estimate of 67 ONGGB applicable facilities per year is underestimated and unsubstantiated.

In EPA’s cost and burden assessment titled, “Assessment of Impacts of the Leak Detection Methodology Revisions and Confidentiality Determinations for Petroleum and Natural Gas Systems,” EPA uses 67 facilities as the basis for its cost/burden assessment, stating that the agency assumes one applicable site per each of the 200 reporters over the next 3 years. GPA believes that this number is underestimated. At a minimum, by using GPA’s estimate of 291 total reporters there would be on average 97 NSPS Subpart OOOOa applicable sites per year for the next three years. However, GPA asserts that there will be significantly more than 97 NSPS Subpart OOOOa applicable sites per year.

c. EPA’s estimate of total respondent time is significantly underestimated and unreasonable.

In Table 1 of EPA’s cost and burden assessment, it states that, on average, this rule amendment will cost each ONGGB reporter $198/year and 2 hours of technical labor time. This significantly underestimates and misrepresents the amount of time and effort that goes into implementing a new rule.

Table 1, attached to these comments, provides GPA’s detailed cost estimate. GPA assumes that each reporter will have at least one Subpart OOOOa applicable natural gas processing plant and one Subpart OOOOa applicable gathering and boosting station. This assumption is based on the fact that most reporters have gathering and boosting assets in at least one basin that support at least one natural gas processing plant. Using this assumption, GPA estimates that the cost per year 1 will be at least $1,160, not the $198 that EPA estimates. GPA then estimates that it will cost $5,467 to comply in years 2 and 3 combined, compared to EPA’s cost of $396. The discrepancy in cost is primarily due to the higher amount of time associated with complying with this rule. EPA should note that with each passing year there will be more Subpart OOOOa applicable facilities, and cost will
therefore increase with each passing year. While some costs may go down, the most significant cost of managing the data and processing it into a usable format for the GHGRP will continue to grow every year.

EPA’s GHGRP cost and burden estimates continue to be unrealistic. Additionally, the detailed cost analyses and burden information that GPA has provided to EPA in past rulemakings have been completely ignored. GPA members have been complying with the GHGRP for six years, giving us a detailed understanding of the time to implement and maintain an effective GHG monitoring program. Therefore, we believe we have the most reliable information on the time that would be required to comply with this proposed rule for gathering and boosting segment as well as gas processing. We do not believe it is acceptable for EPA to ignore this information and our expertise.

EPA’s assertion that there will no changes in the burden on the “Onshore Natural Gas Processing” industry segment is blatantly incorrect. Table 1 provided, applies costs to both the ONGGB segment and the natural gas processing segment.

XII. GPA responses to specific EPA requests for comment.

a. GPA requests that monitoring and calculation methods allowed by states with LDAR programs be allowed, but not mandated, in the rule.

EPA Request: *We request comment on whether there are other methods for detecting equipment leaks that should be added to Subpart W, either because they are commonly used across the industry or because they would align the Subpart W methods with the methods in another federal, state, or local regulation.*

See II.c.

b. GPA requests that sites that are subject to LDAR requirements pursuant to any federal or state regulation be allowed, but not mandated, in the rule.

EPA Request: *We request comment on whether there are other situations for which Subpart W should require a reporter to use the results of equipment leak surveys conducted using one of the methods in Subpart W (e.g., if the survey is conducted pursuant to a federal regulation other than the NSPS Subpart OOOOa or pursuant to a state regulation).*

Again, we suggest that EPA allow leak survey data from any leak detection program required by a federal rule, a state rule, an air permit, or the methane challenge program, if that program includes, at a minimum, valves, flanges, connectors, open-ended lines, and pressure relief valves.
c. **EPA should eliminate calculation requirements 98.233(j)(1)-(j)(5) under the “Onshore production and onshore petroleum and natural gas gathering and boosting storage tank” section of the rule for controlled tanks.**

EPA Request: *We request comment on whether the EPA should consider separate approaches for controlled storage tanks and uncontrolled storage tanks.*

EPA requests comment on whether they should consider separate approaches for controlled storage tanks and uncontrolled storage tanks, related to whether or not these sources should be considered equipment leak components. GPA addressed this topic in our February 24, 2015 comments for the “2015 Revisions and Confidentiality Determinations for Petroleum and Natural Gas Systems (Docket EPA-HQ-OAR-2014-0831)” rulemaking (GPA comment 8.10.5). As we commented there, EPA should eliminate calculation requirements 98.233(j)(1)-(j)(5) under the “Onshore production and onshore petroleum and natural gas gathering and boosting storage tank” section of the rule for controlled tanks. Emissions from a controlled tank would primarily be due to leaks, and these could be reported under the “Equipment leak surveys” portion of the rule.

Currently, EPA requires that additional complex calculations be performed for tanks whose emissions are routed to flare or vapor recovery. For tanks that are routed to flare, the flare calculations must be applied to the tank emissions, and then these resulting emissions must be backed out of the flare equipment emissions. For tanks that are routed to vapor recovery, operators must still collect operating data and liquid samples, conduct analyses, perform emissions determinations and retain all records only to “adjust the emissions downward.” This exercise is a waste of resources for tanks that are controlled by vapor recovery. Even if some of the emissions (~ 2%, for a 98% controlled tank) are not captured by vapor recovery, the negligible amount of carbon dioxide (“CO2”) and methane emissions does not justify the sampling and analysis cost or associated burden. Operators are essentially “punished” for controlling their tanks.

GPA does not agree that EPA should mandate difficult, time consuming and resource-wasting data collection and reporting requirements for owners and operators who are reducing their CO2e emissions. Similar to the requirements for blowdown vent stacks and the requirements for centrifugal and reciprocating compressors, emissions that are routed to flare should be simply calculated under the flare equipment type, and emissions that are routed to vapor recovery should not require additional sampling, analyses or be calculated (the blowdown vent stack category only applies to emissions that are actually vented). This is a dramatically simpler approach that will yield the same results—GHG emissions to the atmosphere will be accounted for.
To capture any emissions that are due to leaks, EPA could include controlled storage tanks in the “Equipment leak surveys” portion of the rule. For non-Subpart OOOOa facilities, tank leaks could even be added to the annual survey requirements of 98.233(q). Because the survey (either under NSPS Subpart OOOOa or potentially Subpart W) would include review of the tanks, any separator dump valve issues would be observed at that time. We propose that instead of the dump valve requirements of 98.233(j)(6), requirements like those of 98.233(k) (dump valves and transmission storage tanks) be implemented for controlled storage tanks.

We agree with EPA’s revision to Table W-3 for Onshore Natural Gas Transmission Compression with respect to transmission storage tanks and footnote 2. Although GPA still submits that the storage tank requirements are unduly burdensome, we agree with EPA’s proposed approach as it applies to uncontrolled storage tanks in Onshore Natural Gas Gathering and Boosting.

d. Most “super emitter” emissions are upset conditions at the site and are not part of normal operations. The resulting emissions can vary widely based on the cause of the upset.

EPA Request: We request comment on ways to more accurately account for these and other “super emitting” sources in the proposed calculation methods for equipment leaks.

As previously discussed in VIII (b), EPA should not develop emission factors for upset conditions. Engineering estimates based on best available data, including volume, duration and gas composition, should be used to determine emissions.

e. GPA has made its best effort with the limited amount of time available to compile these comments but needs more time to fully consider the significance of this rule and provide additional comments.

EPA Request: We request comment on the basis for the leaker emission factors for the Onshore Petroleum and Natural Gas Production industry segment (i.e., whether it is appropriate to use solely the EPA/GRI data, use solely data from OGI monitoring studies, composite all available data to develop the leaker emission factors, or use other study data).

We request comment on the basis for the leaker emission factors for the Onshore Petroleum and Natural Gas Gathering and Boosting industry segment.

We request comment on the basis for the leaker emission factors for pumps in the Onshore Natural Gas Processing industry segment.
GPA appreciates the ability to comment on the proposed amendment to Subpart W and the 15 day extension that EPA granted. However, GPA believes significantly more time is required to gather data, fully consider impacts and significance of the proposed rule, and to develop comments for such an extensive rulemaking. For those reasons, GPA requested a 60-day extension on February 2, 2016. GPA will continue review of the proposed rule and requests that any supplemental comments submitted by GPA be included in the rulemaking docket and fully considered by EPA when finalizing rule.

**Conclusion**

For all of the foregoing reasons, GPA respectfully requests that EPA modify its proposal consistent with these comments, and, given the complexity of the issues raised by the proposed revisions to Subpart W, that EPA continue to receive and consider additional comments on its proposed rule.

Sincerely,

Matthew Hite  
Vice President of Government Affairs  
Gas Processors Association
Table 1. Cost to Comply with New Requirements for the NG Processing and NG G&B Segment

COST ESTIMATE - Years 1 through 3

EPA's GHG Mandatory Reporting Rule (Proposed Subpart W monitoring amendments)

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*As stated in the Assessment of Impacts to the Subpart W ONGGB rule, 291 is the number of reporters under the NG Processing segment (See comment XI.(a))
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