



Darrell R. Johnson
Environmental Programs Manager
Environmental Services
555 West 5th Street
Los Angeles, CA 90013
Tel: (213) 231-6246
djohnson@socalgas.com

October 11, 2022

Mr. Quinn Langfitt
Project Lead, Oil & Gas Regulation
California Air Resources Board
1001 I Street – P.O. Box 2815
Sacramento, CA 95812

Subject: Comments on CARB’s First Public Workshop to Discuss Potential Changes to the Oil and Gas Methane Regulation

Dear Mr. Langfitt:

Southern California Gas Company (SoCalGas) appreciates the opportunity to comment on the September 20, 2022, California Air Resources Board’s (CARB) First Public Workshop to Discuss Potential Changes to the Oil and Gas Methane Regulation. SoCalGas understands and supports CARB’s objective to address deficiencies identified in the US Environmental Protection Agency’s (EPA) technical support document (TSD)¹ as it relates to EPA’s May 2022 “limited approval, limited disapproval” of this regulation within CARB’s State Implementation Plan submittal. SoCalGas appreciates CARB’s efforts to address deficiencies in the CARB Oil and Gas Methane Regulation and believes that clarifications of some requirements will help improve implementation and compliance to support the goal of achieving real, cost-effective, and quantifiable greenhouse gas (GHG) reductions.

In the spirit of improving the effectiveness of, and compliance with the regulation, SoCalGas would like to propose that CARB: (1) Remove Oil and Gas Methane Regulation sections that are no longer applicable; (2) Clarify language within §95669(o)(5); (3) Revisit potential requirement to develop Leak Detection and Repair (LDAR) Plans and; (4) Clarify Enforcement Provisions to Achieve Regulatory Objectives.

¹ See EPA TSD available at <https://www.regulations.gov/document/EPA-R09-OAR-2022-0416-0002>

(1) Remove Oil and Gas Methane Regulation Sections that are No Longer Applicable

The Final Regulation Order for the Oil and Gas Methane Regulation was released in 2017. As such, there are several sections within the regulation that are only applicable to specific time spans that have since passed. To enhance the regulation and make it easier to follow, CARB might consider deleting sections of the regulation that are no longer applicable, such as §95669(h) and §95669(o)(1), both of which were only applicable between January 1, 2018, and December 31, 2019.

(2) Clarify language within §95669(o)(5)

SoCalGas would appreciate an update to section §95669(o)(5) which currently states the following:

(o)(5) Except for the fourth (4th) quarterly inspection of each calendar year, leaks discovered during an operator conducted inspection shall not constitute a violation if the leaking components are repaired within the timeframes specified in this subarticle.

As written, this section appears to consider all leaks within the 4th quarter to be an automatic violation, regardless of repair timeframe. CARB previously offered the following clarification for this section; “The best way to read section 95669(o)(5) is to delete the words “Except for the fourth (4th) quarterly inspection of each calendar year”. Thus, the following section could be modified as below which addresses both the 4th quarter confusion and makes it clear that leaks not repaired within the specified timeframes, regardless of who found them, may constitute a violation:

(o)(5) ~~Except for the fourth (4th) quarterly inspection of each calendar year,~~ Leaks discovered during an operator conducted inspection shall not constitute a violation if the leaking components are repaired within the timeframes specified in this subarticle.

(3) Revisit Potential Requirement to Develop Leak Detection and Repair Plans

During the workshop, CARB discussed potentially updating the Regulation to include a requirement for operators to develop and maintain LDAR plans. This seemingly is in response to EPA’s TSD which suggests adding a requirement to maintain a list of identification numbers for all the equipment subject to leak regulation and all equipment designated as “unsafe to monitor.” Under the current regulation, facilities already operate robust LDAR programs, which include a database of all components subject to the Regulation. Given this, there is no need for facilities to develop LDAR plans. CARB may choose to add the additional language to the regulation as suggested by EPA. However, CARB will need to incorporate a process for handling any sensitive/business confidential information included in these databases.

(4) Clarify Enforcement Provisions to Achieve Regulatory Objectives

SoCalGas supports CARB’s objective to establish a comprehensive program to achieve real, cost-effective, and quantifiable GHG reductions and acknowledge that enforcement provisions are an essential element of an effective regulatory program. In order for enforcement provisions to

achieve regulatory objectives in a cost-effective manner and incent the desired behavior, it is critical that the enforcement provisions take into account the efforts of regulated entities to comply and do not penalize entities for activities that could not reasonably have been prevented.

SoCalGas suggests for rule efficiency purposes CARB revisit the value of the immediate agency violations for threshold observations during an agency inspection. The CARB program is a leak detection and repair program that clearly outlines requirements for detection procedures and repair timelines. Industry is aggressively implementing these LDAR procedures and practices in good faith. In fact, in 2021 SoCalGas reduced fugitive methane emissions by 37% – passing the state's goal of a 20% reduction by 2025 and nearing the state's goal of a 40% reduction by 2030.² Given that there is no environmental benefit, or an impactful repair process improvement associated with punitive issuance of violations purely due to the presence of a local agency, we suggest that this enforcement provision be revisited.

Conclusion

SoCalGas appreciates CARB staff considering our feedback on potential changes to the Oil and Gas Methane Regulation.

Sincerely,

/s/ Darrell Johnson

Darrell R. Johnson
Environmental Programs Manager
Environmental Services, SoCalGas

² See <https://newsroom.socalgas.com/press-release/socalgas-surpasses-californias-2025-methane-emissions-reduction-goals-nears-2030-goal>