

Christine Luther Zimmerman Regulatory Affairs

November 17, 2023 Via Email

Ms. Carolyn Lozo Chief Oil and Gas & GHG Mitigation Branch California Air Resources Board (CARB) 1001 "I" Street Sacramento, CA 95814

Subject: Comments On Proposed Amendments to the Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities

Dear Ms. Lozo:

On November 2nd, 2023, the CARB published proposed the 15-Day amendments to the Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities or California Oil and Gas Methane Regulation (COGR). The Western States Petroleum Association (WSPA) appreciates the opportunity to comment on the proposed amendments. We agree with most updates to the COGR that were made from the 45-day version. However, WSPA is concerned about some key issues summarized below.

In our previous comment letter dated June 12, 2023, WSPA members had highlighted a critical concern about partial applicability of COGR to separator and tank systems with existing vapor control. Due to the current language in COGR, several separators within the separator and tank systems that are already under vapor control, may be interpreted as non-compliant unless CARB's intent is not clearly stated or the language modified. However, CARB did not clarify the requirements in the 15-day package. It is our understanding that CARB intends to address the clarification outside of the rule in a guidance document or in the final statement of reasons (FSOR). But WSPA is concerned that guidance outside the rule might not be enough and cause compliance issues due to potential different interpretations between agencies.

Our detailed comments are included in the enclosures. WSPA requests that CARB incorporate the following recommendations into COGR prior to adoption, or at a minimum revise the regulation during the 15-day comment period.

WSPA appreciates the opportunity to comment on these important issues. If you have questions regarding our comments, please contact me at (661) 343-5753.

Sincerely,

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Christine Luther Zimmerman Senior Regulatory Affairs Manager

Enclosures: WSPA Detailed Comments

Cc:

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Western States Petroleum Association

Comments On Proposed Amendments to the Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities (November 2, 2023)

> Submitted to California Air Resources Board November 16, 2023

Western States Petroleum Association (WSPA) Comments On Proposed Amendments to the Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities

(November 2, 2023)

The Western States Petroleum Association's (WSPA's) comments on the November 2, 2023 version of Proposed Amendments to the Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities/California Oil and Gas Rule (COGR) are provided below. WSPA requests that CARB incorporate the following recommendations into the regulation prior to adoption.

I. Standards [Section 95668]

A. Separator Tank Systems [Section 95668(a)]

1) Separators with Existing Vapor Recovery Systems are not subject to Rule 4623

In the previous comment letters dated February 10, 2023¹ and June 12, 2023², WSPA had pointed out that by specifying SIP-approved Rule 4623 an issue of partial applicability to COGR was created for separator and tank systems with existing vapor control. Separators are exempt from Rule 4623 per Section 4.1.1, making them subject to COGR. However, the separators direct fluids to tanks that are subject to Rule 4623 and both the separator and tank are under vapor control that meet the requirements of Rule 4623. Please see Figure 1 below.

¹ <u>https://www.arb.ca.gov/lists/com-attach/9-og-wkshp-jan23-ws-VyBTJIAhBzVRCFQ3.pdf</u>

² arb.ca.gov/lists/com-attach/610-oilgas2023-BnEAdVEgBTcEXVAz.pdf



Figure 1. Partial applicability scenario of COGR to separator and tank systems due to Rule 4623 applicability

WSPA members had requested CARB to include an exemption to Section 95668(a)(2) for existing vapor-controlled separators that direct fluids to tanks that are subject to Rule 4623 as it was not CARB's intent to create a partial applicability scenario. However, the previously provided comments were not addressed in the November 2, 2023 version.

It is our understanding that CARB did not intend the previous regulatory updates to create a partial applicability scenario for the existing "separator and tank system" exemption. However, as currently written, the proposed COGR leaves unnecessary ambiguity, with significant room for different interpretations. While we understand that CARB has proposed to address this issue through guidance or an FSOR statement, WSPA members are concerned that dealing this matter through guidance or FSOR could result in differing interpretations between agencies leading to potential non-compliance issues. This approach does not provide legal protection to operators who are otherwise in compliance with the requirements of COGR. CARB's clarification on this matter in the regulatory language is critical to avoiding any potential interpretation-related non-compliance issues.

WSPA Recommendation #1

WSPA recommends that CARB clarify their intent to exempt "separator and tanks systems" with tanks with vapor recovery systems exempted under 95668(a)(2)(C).

B. Remote Monitoring Technology Approval Process [Section 95669.1(a)(1)]

Section 95669.1(a) is missing an effective date for when CARB may start issuing notifications to owners or operators. The current text reads as follows:

"(a) Beginning <effective date – OAL to insert>, CARB may issue a notification to an owner or operator if remote monitoring data includes a methane emission plume at their facility."

WSPA Recommendation #2

WSPA recommends an effective date be added to section 95669.1(a) prior to the final rule issuance.

C. <u>Report Timeline [Section 95669.1(c)]</u>

CARB is proposing a series of tight notification, inspection and reporting timelines for the remote leak detection. WSPA members are concerned that tight reporting timelines, like the 72-hour reporting requirement, if it occurred over a weekend, will become problematic due to unavailability of necessary personnel.

WSPA Recommendation #3

WSPA recommends that CARB exclude non-business days from notification, inspection and reporting timelines.