



Christine Luther Zimmerman
Regulatory Affairs

October 11, 2022
Via Email

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

Subject: Potential Changes to Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities (Oil and Gas Methane Regulation)

Dear Ms. Lozo:

On September 20, 2022 the California Air Resources Board (CARB) hosted a workshop to discuss potential changes to the California Oil and Gas Methane Regulation (COGR). The changes to the regulation now being considered are intended to address a variety of issues including comments made by EPA in their analysis of the regulation. CARB has requested that stakeholders provide comments on potential changes now being considered. The Western States Petroleum Association (WSPA¹) appreciates the opportunity to comment on the proposed changes and our comments on some of the issues discussed during the September 20, 2022 workshop are summarized below.

1. Clarification of Regional Air District Rule and CARB COGR Applicability

Several sections in the COGR specify that where regional air district (District) regulations and CARB COGR regulations overlap, the requirements contained in District rules in effect as of January 1, 2018 prevail. For example COGR requirements for separator and tank systems; leak detection and repair (LDAR) and designation of critical components do not

¹ WSPA is a non-profit trade association representing a full spectrum of companies which explore for, produce, refine, transport, and market petroleum and petroleum products in the Western United States.

apply, provided that as of July 1, 2018 local air district have established corresponding requirements.

To clarify whether District requirements or COGR requirements apply, the EPA recommends that the COGR include a citation to the specific rule from each local air District (in effect as of January 1, 2018) that would supersede COGR requirements. EPA also contends that this is necessary to limit the discretionary authority of the CARB. Nevertheless, the proposed requirement could lead to additional confusion as local rules are modified and the citations contained in the COGR no longer correspond to the newly amended rule.

Some confusion already exists with respect to the January 1, 2018 COGR exception. Some air districts have postulated that the COGR exception no longer applies for rules that are modified after January 1, 2018 because the newly amended rule was not “in effect as of January 1, 2018”. WSPA disagrees with this assertion.

WSPA believes that changes made to local rules after January 1, 2018 have no relevance with respect to the exceptions granted by the existing COGR regulation².

2. Performance Testing for Destruction Efficiency

Per EPA recommendations and as discussed during the September 20, 2022 workshop CARB is considering changes that would require that performance tests be conducted to demonstrate that a vapor control device is achieving a 95% reduction in emissions. With respect to such determinations, WSPA recommends that CARB follow the EPA Model Rule³: and exempt control systems with vapors routed to a device listed below, from such performance tests.

- a. A flare designed and operated in accordance with 40 CFR 60.18(b);
- b. A boiler or process heater with a design heat input capacity of 44 megawatts or greater;
- c. A boiler or process heater into which the vent stream is introduced with the primary fuel or is used as the primary fuel.
- d. A control device whose model can be demonstrated to meet performance requirements through performance tests conducted by the manufacturer.

² Section 95668(a)(2)(C); Section 95669(b)(1) and Section 95670(a)(1).

³ Control Techniques Guideline for the Oil and Natural Gas Industry, EPA-453/B-16-001; October 2016 Appendix F-1 through F-2 (Devices identified per (a, b, c, d above: e and f proposed by WSPA).

- e. Other combustion devices such as gas turbines and internal combustion engines where vent stream vapors are introduced with the primary fuel or are used as the primary fuel should also be exempt from such performance tests.
- f. Finally, performance tests should not be required for systems where vapors are recovered and are reinjected.

3. Need for Detailed List of Components Subject to LDAR

During the workshop, CARB announced they are considering revising the regulation to require that operators maintain a detailed list of all components subject to leak detection and repair (LDAR). Several stakeholders objected to the proposal. These stakeholders contend that such a requirement is burdensome and unnecessary. It will not generate additional reductions given the fact that these components are already subject to LDAR via District rules or COGR. WSPA agrees with these stakeholders.

4. LDAR for Heavy Oil Components

During the workshop, CARB noted that they were considering “reexamining” the LDAR exemption for components used by heavy oil streams (< 20° API gravity). According to the CARB presentation, these components account for less than 1% of the total methane emissions from the oil and gas sector and less than 0.15% of the total methane emissions in California.

Comments made during the September 20, 2022 workshop, showed that some participants mistakenly believe that all components used for streams originating from crude oil having an API gravity less than 20°, are exempt from LDAR requirements. This conclusion is incorrect.

Many components used for handling gas streams originating from heavy oil production are already subject to LDAR requirements imposed by District regulations. Consequently, the emissions from these heavy oil components have already been greatly reduced or eliminated via District LDAR. With respect to emissions from components used by heavy oil liquid streams the amount of emissions are extremely small or are “undetectable”. Consequently, these types of components are currently exempt from LDAR requirements and should remain so.

These components result in a very small amount of methane emissions. Elimination of the exemption would result in diversion of manpower needed for conducting LDAR for components that are more likely to contribute to methane emissions. The elimination of the exemption could also significantly increase the cost of complying with the COGR without achieving any appreciable reductions in methane emissions. Consequently, WSPA recommends that the CARB forego any changes that would result in the elimination of the LDAR exemption for components serving heavy oil streams.

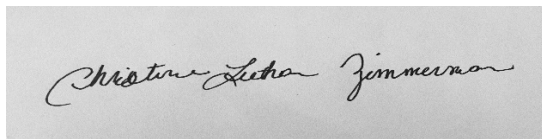
5. Overlap of SB1137 and COGR

During the September 20, 2022 workshop there were a variety of questions on how the monitoring and LDAR requirements of SB1137 and the COGR requirements would be integrated. CARB explained that they were currently in ongoing discussions pertaining to the overlap of these regulatory requirements. Several stakeholders proposed that CARB include a COGR exemption for components subject to the continuous monitoring and LDAR requirements of SB1137.

Although WSPA is still considering how to best achieve the goals of these regulations, a COGR exemption as proposed by several stakeholders, would eliminate regulatory overlap. WSPA is looking forward to future discussions with CARB and other agencies pertaining to how to minimize or eliminate the overlapping requirements contained in AB1137 and COGR.

As noted previously WSPA appreciates the opportunity to comment on these important issues. If you have questions regarding our comments, please contact me at (661) 334-5753.

Sincerely,

A rectangular box containing a handwritten signature in cursive script that reads "Christine Lisha Zimmerman".

Christine Zimmerman
Senior Regulatory Affairs Manager

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