



**pennsylvania**  
DEPARTMENT OF ENVIRONMENTAL PROTECTION



Bureau of Air Quality

# **Final-Omitted Rulemaking: Control of VOC Emissions from Conventional Oil and Natural Gas Sources**

Environmental Quality Board  
October 12, 2022

Tom Wolf, Governor

Ramez Ziadeh, P.E., Acting Secretary

# Final-Omitted Rulemaking

- An agency may omit or modify regulatory procedures if circumstances are impracticable, unnecessary, or contrary to the public interest.
- Extensive public comment period and 3 public hearings were held.
- Additional delay would result in the loss of approximately \$450 million in Federal highway funding plus continued offset sanctions.

# Conventional emission sources only

- Applicable only to conventional sources of VOC emissions installed at conventional well sites, gathering and boosting stations, or natural gas processing plants.
- Added definitions of conventional well and conventional well site.

# Basis of the Final-Omitted Rulemaking

- Establishes VOC emission limitations and other requirements consistent with the RACT recommendations in EPA's Control Techniques Guidelines (CTG) for the Oil and Natural Gas Industry issued on October 27, 2016.
- **RACT = Reasonably Available Control Technology**
  - Considers technological and economic feasibility
- Ozone Transport Region member states must implement RACT statewide.

# Basis of the Final-Omitted Rulemaking

- The Commonwealth is required to submit a State Implementation Plan (SIP) revision addressing the RACT requirements to avoid sanctions triggered by two Findings of Failure to Submit issued by EPA.
  - The November 16, 2020, Finding relating to the **2008** Ozone NAAQS must be addressed by June 16, 2022.
  - The December 16, 2021, Finding relating to the **2015** Ozone NAAQS must be addressed by July 18, 2023.

# Affected Parties

- DEP identified 4,719 conventional operators of affected facilities and estimates that 3,704 of these facility operators may meet the definition of small business.
- Owners and operators of approximately 6 facilities with storage vessels and 26,284 facilities with pneumatic controllers may be subject to the regulatory requirements.
- Approximately 95 out of 27,260 conventional well sites will be required to implement instrument-based leak detection and repair (LDAR) inspections.

# Economic Impacts

- Overall, the expected total cost to conventional industry will be approximately \$9.8 million per year with approximately \$15.7 million per year in *savings* of recovered natural gas at a price of \$1.70/Mcf.
- This equates to an average net *benefit* of \$218 per facility or \$1,258 per operator.
- Implementing the requirements of the final-omitted rulemaking will:
  - Contribute to attaining and maintaining the 2015 8-hour ozone NAAQS which may result in \$63 million or more in health benefits for the Commonwealth.
  - Help protect jobs and revenue in the agriculture and forestry industries.

# Environmental Impacts

- Total estimated emissions reductions from this final-omitted rulemaking across the conventional oil and natural gas industry are 9,204 TPY of VOC emissions, with a co-benefit of reducing methane emissions by 175,788 TPY.
- Total estimated emissions reductions include 304 TPY VOC and 5,790 TPY methane from the additional stringency of this final-omitted rulemaking than EPA's CTG.
- The VOC emission control measures and other requirements in this final-omitted rulemaking will allow the Commonwealth to make substantial progress in achieving and maintaining the 8-hour ozone NAAQS statewide.



# Recommendation

The Department recommends the Board adopt this final-omitted rulemaking for publication in the *Pennsylvania Bulletin* as a final-form regulation.



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