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U.S. EPA Proposes New Emissions Guidelines to Reduce Methane from the Oil and Gas Industry

by Megan J. Houdeshel and Kayla Weiser-Burton

On November 2, 2021, the U.S. Environmental Protection Agency ("EPA") issued a proposed rule that is intended to significantly reduce emissions of greenhouse gases ("GHGs") and other air pollutants from the crude oil and natural gas sector. Under Section 111 of the Clean Air Act ("CAA"), the rule proposes standards of performance for GHG emissions for new, modified, and reconstructed sources within the crude oil and natural gas source category, including an option for utilizing innovative new technology for fugitive emission detection that could make the detection easier and could make major leaks more readily reparable.

Among other things, EPA is proposing to repeal its amendments in the related 2020 final rule titled "Oil and Natural Gas Sector: Emission Standards for New, Reconstructed, and Modified Sources Reconsideration." Those amendments had (1) exempted low production well sites—those producing 15 boe or less per day—from monitoring fugitive emissions, and (2) changed from quarterly to semiannual monitoring of VOC emissions at gathering and boosting compressor stations. Repealing those amendments, as described in the proposed rule, would effectively reinstate the 2016 requirements, which mandate semiannual monitoring of VOC and methane emissions at all well sites, including low production sites, and quarterly monitoring of VOCs at compressor stations, including gathering and boosting compressor stations. Additionally, EPA is proposing an alternative fugitive emissions monitoring and repair program for new, modified, or reconstructed sources to include bimonthly screening for large emission events, followed with optical gas imaging ("OGI") at least annually. The bimonthly screenings must adopt a methane detection technology with a demonstrated minimum detection threshold of 10 kg/hr. The screening survey would be used to identify individual sites where additional follow-up is needed because fugitive emissions have been detected in excess of the 10 kg/hr threshold.

The reinstatement of more demanding monitoring requirements, as well as the alternative fugitive emissions monitoring and repair program requiring bimonthly screenings, both offer an opportunity for the adoption and use of new monitoring

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technologies, as opposed to the standard handheld OGI devices. The ability to use new monitoring technology will provide operators with flexibility to effectively detect leaks more quickly and more efficiently through advanced sensors and deployment options. Once the rule is published in the federal register, industry and interested parties will have 60 days to provide comments on the new rule. Dorsey is prepared to assist clients through the comment process.