

**PERMIT BY RULE (PBR) FOR
MINOR OIL AND NATURAL GAS
(ONG) FACILITIES**
PRESENTER: PHIL MARTIN

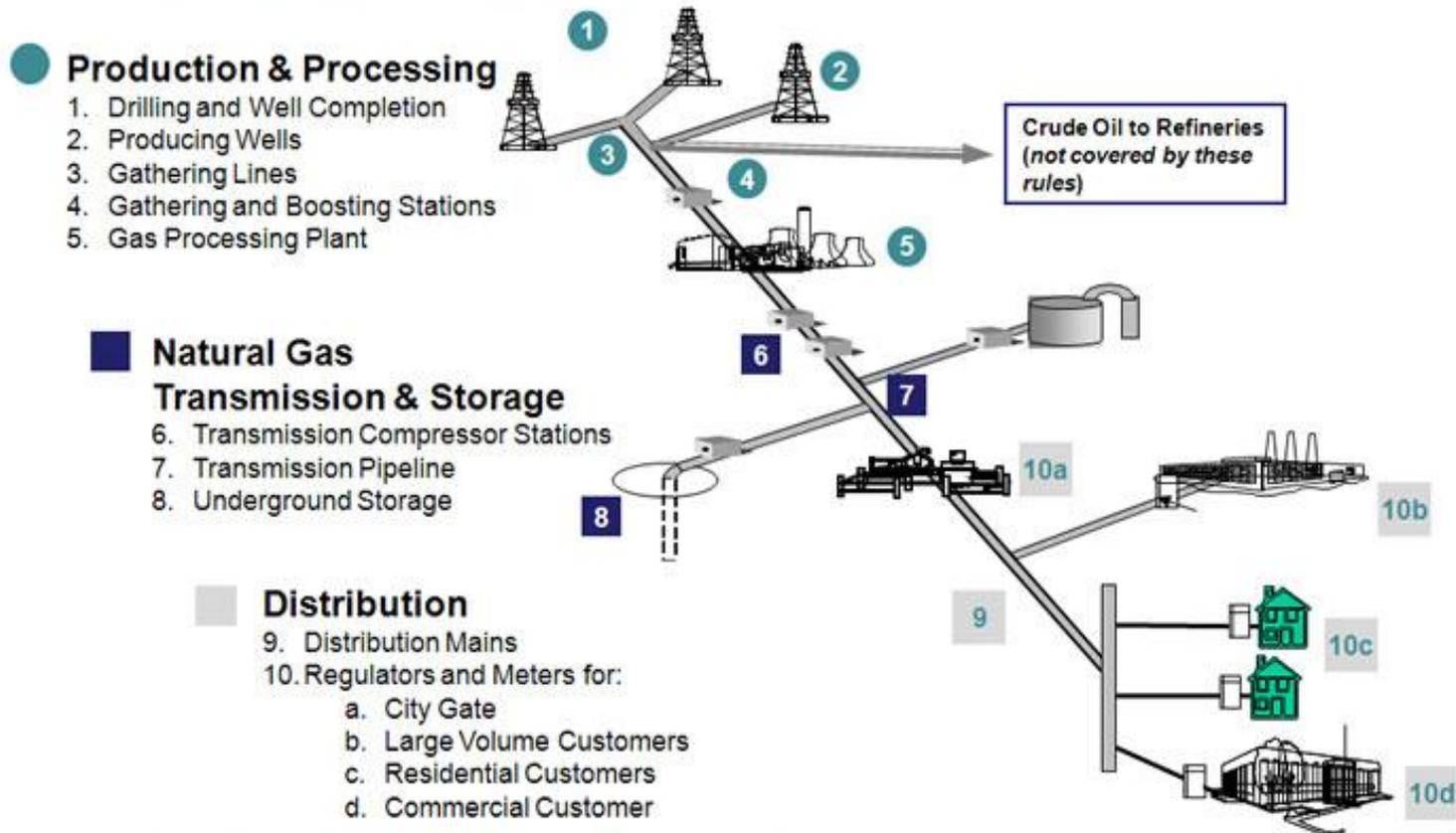
11/14/2012

New NSPS and NESHAP Oil and Natural Gas Sector

NSPS 40 CFR 60 Subpart OOOO
Final Rule Published in the
Federal Register
August 16, 2012
(77 FR 49489)

The Natural Gas Production Industry

Natural gas systems encompass wells, gas gathering and processing facilities, storage, and transmission and distribution pipelines.



Source: Adapted from American Gas Association and EPA Natural Gas STAR Program

NSPS REVISIONS

- ▶ NSPS 40 CFR 60 Subpart OOOO–Standards for Crude Oil and Natural Gas Production, Transmission and Distribution
 - Affected Facilities that commenced construction, reconstruction or modification after August 23, 2011
 - Affected Facilities
 - Gas Wells
 - Centrifugal Compressors and Reciprocating Compressors
 - Pneumatic Controllers
 - Storage Vessels
 - Group of All Equipment, Except Compressors, Within a Process Unit at Natural Gas Processing Plants
 - Sweetening Units at Natural Gas Processing Plants

NESHAP REVISIONS

- ▶ NESHAP 40 CFR 63 Subpart HH for Oil and Natural Gas Production Facilities
 - New MACT for BTEX from small glycol dehyds

Air quality permits required for minor oil and gas facilities

- ▶ Construction and Operating Permits required for new or modified facilities except de minimis or permit exempt facilities
[OAC 252:100-7-2]
- ▶ De minimis or Permit Exempt Facilities cannot be subject to a federal NSPS or NESHAP
[OAC 252:100-7-1.1]
- ▶ Three types of minor facility permits
 - Individual permit
 - General permit
 - Permit by rule [OAC 252:100-7-15(b) and 18(d)]

PERMIT BY RULE

- ▶ A Permit By Rule may be adopted if there are a sufficient number of facilities that have
 - The same or substantially similar operations, emissions and activities, and
 - Are subject to the same standards, limitations, and operating and monitoring requirements[OAC 252:100-7-15(b)]
- ▶ This PBR does not of itself cause any minor facility to be subject to NSPS or NESHAP, or require any facility to obtain an air quality permit.

PBR CRITERIA FOR MINOR ONG FACILITIES

- ▶ An owner or operator may register under this PBR if:
 - The emissions of each regulated air pollutants, except HAPs, meet the following conditions:
 - actual emissions are 40 tpy or less; and
 - potential emissions less than the trigger levels for the title V programs.
 - The actual and potential emissions of HAPs are less than the trigger levels for the title V program.
 - The owner or operator of the facility certifies that it will comply with the applicable permit by rule.
 - The facility is not operated in conjunction with another facility or source that is subject to air quality permitting.

[OAC 252:100-7-15(b)(1)]

PBR – BEST OPTION?

- ▶ After adoption as a rule a PBR
 - Simplest application
 - Simplest permitting process
 - Fastest to qualify under
 - Lowest application fees [OAC 252:100–7–3]
 - Registration under a PBR construction permit costs \$250 and registration under a PBR operating permit costs \$100

WHAT WILL THE ONG PBR COVER?

- ▶ The PBR will cover affected minor facilities located at minor onshore crude oil and natural gas production, transmission and distribution facilities that are subject to:
 - NSPS Subpart OOOO
 - NSPS Subpart IIII Stationary compression ignition internal combustion engines (CI ICE)
 - NSPS Subpart JJJJ Stationary spark ignition internal combustion engines (SI ICE)
 - NESHAP Subpart ZZZZ Reciprocating internal combustion engines (RICE)
 - NESHAP Subpart HH ONG area sources

PBR PROCEDURES

- ▶ A minor facility registered under a PBR is exempt from any other air quality control permitting requirements in Chapter 100.
- ▶ Registration under a PBR
 - Submit letter with required information about facility, certification, and fee to AQD.
 - Registration would be effective upon receipt of application by DEQ.
 - Submit all reports and notifications required by applicable NSPS or NESHAP.
 - Submit an annual emission inventory unless the facility emits 5 tpy or less of each regulated pollutant, in which case the emission inventory shall be submitted once every 5 years.
 - If facility no longer qualifies for the PBR, the owner or operator must obtain an appropriate air quality permit.

RULEMAKING TIMELINE

- ▶ Present proposed PBR at the January 2013 Air Quality Advisory Council meeting
- ▶ Present Proposed PBR at the February 2013 Environmental Quality Board meeting
- ▶ PBR Could be effective July 1, 2013
- ▶ Otherwise PBR might be adopted as an emergency rule in the summer of 2013, but the earliest it could be permanent would be July of 2014

QUESTIONS AND COMMENTS?

