

EPA to tighten air pollution rules on oil industry

Central Valley Business Times, Wednesday, January 14, 2014

The U.S. Environmental Protection Agency is outlining steps it plans to take to address methane and smog-forming emissions from the oil and gas industry.

The agency on Wednesday announced the changes and claimed the tighter controls will “reduce methane pollution from new sources, reduce ozone-forming pollutants from existing sources in areas that do not meet federal ozone health standards, and build on work that states and industry are doing to address emissions from existing sources elsewhere.”

In brief:

- EPA plans to tighten up its 2012 “New Source Performance Standards” for the oil and natural gas industry.
- EPA will follow a similar approach as it develops requirements for new oil and gas sources that are significant emitters of methane and volatile organic compounds (VOCs). These could include completions of hydraulically fractured oil wells, pneumatic pumps, and leaks from new and modified well sites and compressor stations.
- EPA anticipates a process for engaging directly with states on approaches the agency should consider in setting standards.
- A number of states regulate, or are considering regulating, air pollution from the oil and gas industry, and EPA’s strategy anticipates that they will continue to do so.
- EPA will continue and expand its work to promote voluntary adoption of cost-effective methane reduction technologies by the oil and natural gas sector.

From Kern County in the south to Butte County in the north, the Central Valley has some of the nation’s largest oil and natural gas fields. But regional air pollution control officials don’t expect the new EPA regulations to have a heavy impact.

“The oil and gas industry in the San Joaquin Valley is already required through state and local regulation to control most emission sources with the best available technologies, and in most cases these controls do reduce methane emissions,” says San Joaquin Valley Air Pollution Control District Deputy Air Pollution Control Officer Dave Warner.

Mr. Warner notes that California’s oil and gas production operations are under the California Air Resources Board’s greenhouse gas cap-and-trade rule for combustion emissions.

In addition, he says CARB is working on a methane reduction rule for California oil fields.

“They haven’t published the proposed rule yet, but we would expect that the District’s local regulations already address many of the sources at which ARB is looking,” Mr. Warner says.

Methane – the key constituent of natural gas – is a potent greenhouse gas with a global warming potential more than 25 times greater than that of carbon dioxide, the EPA says. Nearly 30 percent of methane emissions in the U.S. in 2012 came from oil production and the production, processing, transmission and distribution of natural gas.

While methane emissions from the oil and gas industry have declined 16 percent since 1990, they are projected to increase by about 25 percent over the next decade if additional steps are not taken to reduce emissions from this rapidly growing industry, the EPA says.