

**BEFORE THE UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY**

Mandatory Reporting of Greenhouse Gases:)	Docket No. EPA-HQ-OAR-2009-0923
Petroleum and Natural Gas Systems;)	FRL-9226-3
Final Rule)	RIN 2060-AP99

PETITION FOR RECONSIDERATION

Per section 307(d)(7)(B) of the Clean Air Act, 42 U.S.C. § 7607(d)(7)(B), and for the reasons set forth below, the Interstate Natural Gas Association of America (“INGAA”) petitions the Administrator of the United States Environmental Protection Agency (“EPA”) to reconsider provisions of its final rule in “Mandatory Reporting of Greenhouse Gases: Petroleum and Natural Gas Systems,” 75 Fed. Reg. 74458 (November 30, 2010)(the “Final Rule”).

This petition voices objections that could not have been raised during the public comment period because they concern Final Rule provisions that did not appear in the proposed rule, 74 Fed. Reg. 16448 (April 10, 2009) (the “Proposed Rule”). Each of INGAA’s first three concerns deal with regulations allowing operators to compute greenhouse gas (“GHG”) emissions using “best alternative monitoring methods” (“BAMM”) in lieu of the methods prescribed elsewhere in Subpart W of EPA’s GHG reporting regulations. The BAMM regulations were not part of Proposed Rule, and there was no reasonable basis for INGAA to anticipate their issuance. Also, as noted in INGAA’s fourth item for reconsideration, the Final Rule raises implementation issues that were not evident in the Proposed Rule because they relate to previously unannounced requirements for emissions estimation and reporting.

The issues presented below are of central relevance to the outcome of this rulemaking and reconsideration should be granted to address them. Because we anticipate these issues will

require further discussion of a technical nature, INGAA would welcome the opportunity to meet with EPA to discuss our concerns further.

INGAA seeks reconsideration of the following four matters:

1. There is a confusing disconnect between the BMM requests due April 30, 2011, and those due September 30, 2011.

Both the legal requirements commonly applicable to interstate natural gas transmission, and the basic design of compressor station equipment, buildings and grounds, pose significant and long-term safety, technical and legal barriers to obtaining the data necessary to calculate GHG emissions per the procedures prescribed in Subpart W of the GHG reporting rule. *See generally* 40 C.F.R. § 98.233. For many of these compressor stations, reporters will be requesting approval to use BMM during 2011, 2012 and beyond.

For leak detection and measurement (40 C.F.R. § 98.234(f)(4)), the Final Rule specifies two separate BMM requests, subject to different filing deadlines, content requirements and decision criteria, for approval to use BMM during two separate periods. Requests to use BMM during calendar 2011 must be filed by April 30, 2011, 40 C.F.R. § 98.234(f)(5)(iii)(A); requests to use BMM in 2012 and beyond must be filed by September 30, 2011, 40 C.F.R. § 98.234(f)(8)(i). For other emissions subject to Subpart W, the Final Rule still specifies two separate BMM requests, due the April 30th and September 30th, but the April 30th request covers only the period from July 1, 2011 through December 31, 2011.

The content requirements and approval criteria — and thus the apparent circumstances that warrant the use of BMM — differ widely between the two BMM requests. The April 30th request, governing calendar 2011, focuses on the reporter making “all reasonable efforts to obtain the information, services, or equipment necessary to comply with Subpart W.” *See* 40 C.F.R. §§ 98.234(f)(5)(iii)(B)(3)-(4), (C). In contrast, the September 30th request,

governing 2012 and beyond, asks the reporter to describe why the prescribed data collection methodologies do not meet safety requirements, are technically infeasible, or conflict with other laws or regulations. 40 C.F.R. § 98.234(f)(8)(iv).

Several aspects of the regulations applicable to the April 30th requests are confusing, particularly when compared with the corresponding regulations applicable to the September 30th requests.

The first point of confusion concerns timing and eligibility assessment. Reporters will not have time to assess whether all of their facilities qualify for BAMM by this April 30th, yet the Final Rule requires that a request must be filed by April 30th for every facility where BAMM will be sought for 2011. In discussions subsequent to its issuance of the Final Rule, EPA suggested that for these facilities reporters should submit modified April 30th requests that would serve as notice of potential BAMM eligibility — in effect, a placeholder — to be supplemented by the September 30th request or other subsequent filing. This approach is consistent with the “potential situation” provision in the Final Rule:

If the reporter anticipates the potential need for [BAMM] for sources for which they need to petition EPA and the situation is unresolved at the time of the deadline, reporters should submit written notice of this potential situation to EPA by the specified deadline for requests to be considered.

40 C.F.R. § 98.234(f)(1). INGAA supports the “placeholder” approach and EPA should adopt it on reconsideration.

A separate source of confusion confronts reporters who seek to apply BAMM seamlessly in 2011, 2012 and beyond (for example, because there is no safe way to obtain the measurements otherwise prescribed in Subpart W). In these cases, it is unclear how the content requirements and decision criteria for the April 30th filing versus the September 30th should be applied when the reporter files a BAMM request.

INGAA urges EPA to reconsider the Final Rule to address this problem. The content requirements and approval criteria for the April 30th and September 30th BMM requests should be expanded, or a separate class of these requests should be created, to accommodate cases where BMM will be requested for 2012 and beyond. April 30th requests, which under the placeholder approach would serve as written notice that BMM may be requested in the future, should identify the potential sources and generally identify the grounds — safety, technical, operational, legal, etc. — the reporter may need to cite when it later proposes using BMM in lieu of a prescribed Subpart W methodology. A reporter filing September 30th requests should identify the affected source and should be allowed the option of including the same content requirements (thus triggering the same decision criteria) that would be used to employ BMM for 2011. Conversely, a reporter seeking to use BMM for 2012 and beyond should be allowed to submit information on its reasonable efforts to obtain the information, services or equipment necessary to comply with subpart W. If such information is submitted, EPA should consider it as an independent basis for granting the request.

2. The BMM sunset provision strands sources that become subject to GHG reporting after September 30, 2011, or where unpredictable future events necessitate.

Under current regulations, all requests to use BMM beyond 2011 must be filed by September 30, 2011, 40 C.F.R. § 98.234(f)(8)(i). Other than the ability to notify EPA of a “potential situation” that may warrant a future BMM petition, no binding provision is made for sources that are not subject to GHG reporting currently, but that become so after September 30th.

There is no reasonable basis for denying BMM to a natural gas compressor station that experiences an increase in throughput, thus exceeding the reporting threshold for the first time; or denying BMM to a facility already subject to reporting, that confronts an unpredictable facility or operational issue (*e.g.*, low utilization) that precludes measurement, just because these

events occur after September 30, 2011. These and other situations should be eligible for BAMB, and INGAA seeks reconsideration so EPA can offer BAMB to these otherwise stranded facilities and unaddressed future events.

On reconsideration, EPA should also specify the criteria it will use to evaluate requests filed after September 30, 2011. Under the Final Rule, EPA “reserves the right to review petitions after the deadline” if notified prior to the 2011 deadlines. 40 C.F.R. §98.234(f)(1). However, the Final Rule does not indicate the decision criteria EPA will apply to these requests, so future access to BAMB is needlessly uncertain. Requests filed after September 30, 2011, should be eligible for BAMB under the same criteria available under the Final Rule (as modified in response to the other issues contained in this petition).

3. The criteria for approving BAMB for 2012 and beyond should be modified to recognize employee safety more fully.

The Final Rule provides that EPA does not anticipate a need to approve BAMB beyond 2011 “except in extreme circumstances, which include safety” 40 C.F.R. § 98.234(f)(8). INGAA does not consider safeguarding employee safety to be an extreme circumstance, and we urge EPA to grant reconsideration so it can articulate a standard that more fully recognizes the imperative nature of maintaining employee safety.

4. Numerous technical elements of Subpart W remain unclear, confusing, overly complicated or conflicting.

A number of the provisions in the Final Rule — particularly those dealing with reporting requirements; segment-specific source inclusion; source-specific emission estimation methods; and values and assumptions for facility-specific parameters — are unclear, possibly erroneous or conflicting. For example, the data elements for reporting reciprocating compressor emissions, 40 C.F.R. § 98.236(c)(14), cite equations and methods in 40 C.F.R. § 98.233(p). However, there are

inconsistencies or confusing requirements when reconciling the measurements to be conducted, the equations and parameters to be used for estimating emissions, and the data elements to report. As another example, there instances where a reporter will be required to use different values for a calculation parameter (*e.g.*, gas quality) when estimating emissions for different sources within the same facility. It is imperative that EPA address unclear, confusing, overly complicated, or conflicting requirements associated with emission sources, emission estimation methods, and reporting requirements in Subpart W.

CONCLUSION

In light of the arguments and authorities presented above, and the central relevance of the issues presented to the outcome of the rules contemplated in this docket, INGAA urges EPA to grant reconsideration of the Final Rule pursuant to CAA section 307(d)(7)(B).

Respectfully submitted,

/s/

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