

News & Insights

EPA Policy Amendments to the New Source Performance & Standards for the Oil and Gas Industry

August 13, 2020

August 13, 2020, USEPA's Administrator, Andrew Wheeler, announced two final rules for the oil and gas industry that, if they survive anticipated challenges, will reduce New Source Performance Standards (NSPS) for some areas of the industry and streamline requirements for others. (Refer to the attached graphic)

One rule, a final policy amendment to the 2012 and 2016 NSPS will rescind applicability to the transmission and storage segment of the industry (including transmission compressor stations, pneumatic controllers and underground storage vessels) and will rescind VOC and methane emission standards for that segment. With regard to the production and processing segments of the industry (including well completions, pneumatic pumps, pneumatic controllers, gathering and boosting compressors, natural gas processing plants, fugitive emissions and storage tanks), the final policy amendment will rescind methane emissions standards.

The second rule, final technical amendments to the 2016 NSPS, will benefit gathering and boosting compressor stations and low-production wells (not more than 15 barrels of oil equivalent per day) by changing the frequency of leaks monitoring (from quarterly to twice per year) and repair schedules (attempt repair within 30 days of discovery; complete repair within 30 days after first attempt; extended time up to 2 years if sooner is not feasible), and will reduce recordkeeping and reporting requirements.

A significant impact of the final amendments for the production and processing segments of the industry is that the EPA will no longer issue emission guidelines to address existing sources in those segments. Because the EPA has concluded that VOCs are excluded from emissions to be regulated under Section 111(d) of the Clean Air Act, this amounts to a determination by the EPA not to regulate existing sources.

These final amendments will take effect 60 days after publication in the Federal Register. Should you have questions about these new rules, please contact Hall Estill's Environmental Practice Group.

Practices

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