



State of Utah

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Department of
Environmental Quality

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Executive Director

DIVISION OF AIR QUALITY
Bryce C. Bird
Director

DAQ-037-16

MEMORANDUM

TO: Air Quality Board

THROUGH: Bryce C. Bird, Executive Secretary

FROM: Ryan Stephens, Environmental Planning Consultant

DATE: July 20, 2016

SUBJECT: FINAL ADOPTION: R307-210. Stationary Sources.

R307-210, Stationary Sources, must be updated periodically to reflect changes to federal air quality regulations found in Title 40 of the Code of Federal Regulations (40 CFR) Part 60. All published changes to 40 CFR Part 60 from July 1, 2014, to July 1, 2015, are listed in the attached document. To reflect these changes, R307-210 was amended to incorporate by reference the July 1, 2015, version of 40 CFR Part 60.

A 30-day public comment period was held and no comments were received. The Board requested more detail concerning the 2014 oil and gas rule amendments, and staff provided a response to that request on May 11, 2016. The document answering the Board's request is attached.

Staff Recommendation: Staff recommends that the Board adopt R307-210 as proposed.

1 **R307. Environmental Quality, Air Quality.**

2 **R307-210. Stationary Sources.**

3 **R307-210-1. Standards of Performance for New Stationary Sources**
4 **(NSPS).**

5 The provisions of 40 Code of Federal Regulations (CFR) Part 60,
6 effective on July 1, 2015, except for Subparts Cb, Cc, Cd, Ce, BBBB,
7 DDDD, and HHHH, are incorporated by reference into these rules with
8 the exception that references in 40 CFR to "Administrator" shall mean
9 "director" unless by federal law the authority referenced is specific
10 to the Administrator and cannot be delegated.

11

12 **KEY: air pollution, stationary sources, new source review**

13 **Date of Enactment or Last Substantive Amendment: 2016**

14 **Notice of Continuation: April 6, 2011**

15 **Authorizing, and Implemented or Interpreted Law: 19-2-104(3)(q);**
16 **19-2-108**

Summary of the 2014 Oil and Gas Rule Amendments

1. 40 CFR 60.5365(e) was amended to allow the Potential to Emit (PTE) exclusion provision only in cases where a storage vessel is not subject to any legally and practically enforceable limitation or other requirement under a federal, state or local tribal authority. An owner or operator invoking this exclusion provision must comply with the provisions of 60.5365(e)(1)-(4) in determining VOC PTE for purposes of determining affected facility status.

2. 40 CFR 60.5375 sets out requirements for handling gases and liquids during flowback. The language was amended to identify two distinct stages associated with well completion: 1) Initial flowback and 2) Separation flowback. The amendments state that during the initial flowback stage the flowback must be routed to a “storage vessel” or to a “well completion vessel.” This requirement was added to avoid having operators route the flowback to an unlined pit or onto the ground. To fix this, the language “as soon as sufficient gas is present in the flowback for a separator to operate” was changed to “unless it is technically infeasible for a separator to function.”

During the separation flowback stage the operator must route all salable quality gas from the separator to a gas flow line or collection system, reinject the gas into the well or another well, use the gas as an on-site fuel source or use the gas for another useful purpose that a purchased fuel or raw material would serve. If, during this stage, it is infeasible to route the recovered gas to a flow line or collection system, reinject the gas or use the gas as fuel or for other useful purpose, the recovered gas must be combusted.

3. 40 CFR 60.5385 now provides a third option for satisfying 40 CFR 60.5385 (a). A person can now comply by meeting the requirements of the new paragraph (a)(3): “Collect the emissions from the rod packing using a rod packing emissions collection system which operates under negative pressure and route the rod packing emissions to a process through a closed vent system that meets the requirements of § 60.5411(a).”

4. 40 CFR 60.5390 was amended to provide a date for describing the applicability of the rule. The rule applies to “each pneumatic controller affected facility constructed modified or reconstructed on or after October 15, 2013...”

5. 40 CFR 60.5395 was amended to reflect that, for purposes of the well completion provisions, control is required no later than 60 days from startup of production. It was also amended to require that the dates that storage vessel affected facilities are removed from service and returned to service be included when reporting those actions.

6. 40 CFR 60.5401 (d) and (e) were amended to add connectors to the list of equipment exempt from routine leak detection at certain plants.

7. 40 CFR 5410 was amended to change the initial compliance demonstration provisions in 60.5410(c)(1) by adding language such that paragraphs (c)(1) –(4) would not apply to sources electing to comply with 60.6385(a)(3).

8. 40 CFR 5411 was amended to change the closed vent system requirements in 60.5411(a) and (b) so that it applies to reciprocating compressors (in addition to centrifugal compressor wet seal degassing systems).

9. 40 CFR 60.5412 was amended from “as an alternative, you may install a control device model...” to “as an alternative to *paragraph (d)(1) through (3) of this section*, you may install a control device model...” This change simply clarifies what you can use an alternative for.

10. 40 CFR 60.5413 was amended to add section (e)(7), which ensures “that each enclosed combustion device is maintained in a leak free condition.” It was also amended to change the introductory text to include the new section (e)(7). Instead of through “(e)(6)” it is now through “(e)(7).”

11. 40 CFR 5415 and 5416 were amended so that compliance requirements apply to reciprocating compressors. This was in response to the 5411 amendments above.

12. 40 CFR 5420 was amended to change the recordkeeping requirements. The terminology used in that section relating to periods of gas recovery, combustion and venting were changed to be compatible with the terms used in the final clarifying amendments to 60.5375. This included the addition of a requirement to document the time of the beginning of flowback, the time at which the operator directs the flowback to a separator, the reason for reverting back to the initial flowback stage, the time of well shut in and removal of flowback equipment and time of startup of production. 5420(b)(6) was also amended to require the recording of the dates that the storage vessel affected facilities are removed from service and returned to service. 5420(c)(6) through (9) was amended to add reciprocating compressors as sources subject to the recordkeeping requirements.

13. 40 CFR 5430 was changed to include amended or new definitions for the terms “maximum average daily throughput,” “collection system,” “equipment,” “production stage,” “recovered gas,” “reduced emissions completion,” “certifying official,” “initial flowback stage,” “recovered liquids,” “removed from service,” “returned to service,” “separation flowback stage,” “Startup of production,” “well completion,” “flowback,” “routed to a process or route to a process,” “salable quality gas,” and “storage vessel.” The definition for “affirmative defense” was removed.

NOTE: Despite all of these changes, the EPA claims in its 2014 rulemaking that owners and operators of affected facilities would choose to install and operate the same or similar air pollution control technologies. These 2014 amendments to the oil and gas rules will not have a significant impact on compliance costs, emission reductions, or benefits because all of the major changes were done in 2012. These amendments are merely meant to clarify what the 2012 rules required.

Final Standards of Performance for Stationary Sources (NSPS) for Adoption
From July 1, 2014, to July 1, 2015

FR Info (Title, Volume, Pages)	CFR Reference	Summary
02/02/15 FR. Vol. 80, No. 21 Pgs. 5475-79. [EPA-R06-OAR-2007-0488; FRL-9921-77-Region 6]	40 CFR 60.4(b)(GG) and 40 CFR Part 60.4(e)(1)	This final rule does not impact Utah. It is addressing New Mexico's submittal of regulations for receiving delegation of the Environmental Protection Agency authority for implementation and enforcement of New Source Performance Standards and National Emission Standards for Hazardous Air Pollutants for all sources.
02/24/2012 FR Vol. 80, No. 36 Pages 9613 - 9622 [EPA-R06-OAR-2010-1054; FRL-9923-11-Region 6]	40 CFR 60.4(b)(T) and 40 CFR 60.4(e)(2)	This final rule does not impact Utah. It is addressing Louisiana's submittal of regulations for receiving delegation of the Environmental Protection Agency authority for implementation and enforcement of New Source Performance Standards and National Emission Standards for Hazardous Air Pollutants for all sources.
11/19/2014 FR Vol. 79, No. 223 Pages 68777 - 68794 [EPA-HQ-OAR-2009-0234; EPA-HQ-OAR-2011-0044; FRL-9919-29-OAR]	40 CFR 60.42Da(e)(2)	This final action included final amendments to the startup and shutdown provisions of the final MATS and Utility NSPS issued by EPA on Fe. 16, 2012. This final rule amends 40 CFR 60.42Da(e)(2) to say that "owners or operators of facilities subject to subpart DDDDD of part 63 shall meet the work practice standards specified in Table 3 to subpart DDDDD of part 63 and use the relevant definition used in § 63.7575." EPA stated in the Federal Register that this amendment would not have a significant economic or air quality related impact.
10/09/2014 FR Vol. 79, No. 196 Pages 60993 - 60995 [EPA-R08-OAR-2014-0272; FRL-9917-49-Region 9]	40 CFR 60.4	This action informed the public of NSPS delegations made to Region 8 states and replaced the delegation table in 40 CFR 60.4(c) with a Web address directing the public to current EPA Region 8 NSPS delegations.
12/31/2014 FR Vol. 79, No. 250 Pages 79018 - 79041 [EPA-HQ-OAR-2010-0505; FRL-9921-03-OAR]	40 CFR 60.5365, 60.5375, 60.5390, 60.540, 60.5412, 60.5413, 60.5415, 60.5416, 60.5430	This action finalizes amendments to new source performance standards (NSPS) for the oil and natural gas sector. On August 16, 2012, the Environmental Protection Agency (EPA) published final NSPS for the oil and natural gas sector. The Administrator received petitions for administrative reconsideration of certain aspects of the standards. Among issues raised in the petitions were time-critical issues related to certain storage vessel provisions and well

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		<p>completion provisions. On July 17, 2014 (79 FR 41752), the EPA published proposed amendments and clarifications as a result of reconsideration of certain issues related to well completions, storage vessels and other issues raised for reconsideration as well as technical corrections and amendments to further clarify the rule. This action finalizes these amendments and corrects technical errors that were inadvertently included in the final standards.</p>
<p>03/16/2015 FR Vol. 80, No. 50 Pages 13672 – 13753 [EPA–HQ–OAR–2009–0734; FRL–9920–50–OAR]</p>	<p>40 CFR 60.17</p> <p>Subpart AAA: Secs. 60.530, 60.531, 60.532, 60.533, 60.534-60.539(a)-(b)</p> <p>Subpart QQQ: Secs. 60.5472-60.5483</p> <p>Appendix A-8 to Part 60-Test Methods 26-30B</p> <p>And</p> <p>Appendix I to Part 60- Owner’s Manuals and Temporary Labels for Wood Heaters Subject to Subparts AAA and QQQQ of Part 60</p>	<p>The Environmental Protection Agency (EPA) took final action to revise the Standards of Performance for New Residential Wood Heaters and to add a new subpart: Standards of Performance for New Residential Hydronic Heaters and Forced-Air Furnaces. This final rule achieved several objectives for new residential wood heaters, including applying updated emission limits that reflect the current best systems of emission reduction; eliminating exemptions over a broad suite of residential wood combustion devices; strengthening test methods as appropriate; and streamlining the certification process.</p>