Denver Metro/North Front Range Ozone Nonattainment Area SIP Planning Efforts (& the Role of Oil and Gas)

> WRAP O&G Working Group August 8, 2017

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# MODERATE AREA STATE IMPLEMENTATION PLAN (SIP) FOR THE 2008 OZONE STANDARD (75 ppb)

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#### 2008 8-Hour Ozone Standard

#### **Marginal Nonattainment Area**

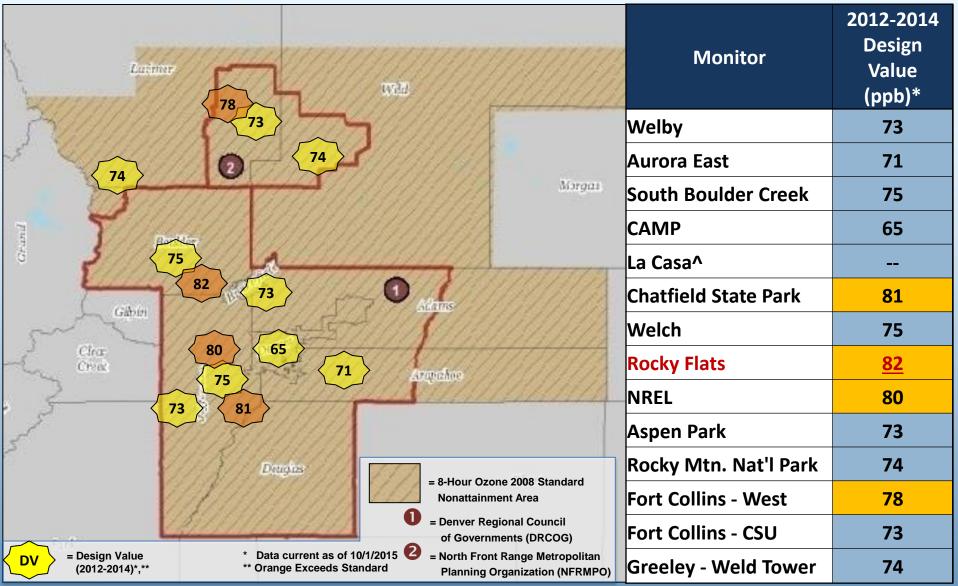
- Designation July 2012
- Attainment deadline July 2015
  - Based on 2012-2014 monitoring data → did not attain

#### **Moderate Nonattainment Area**

- Bump-up to next highest classification Published in FR May 2016
- Attainment deadline July 2018
  - Based on 2015-2017 monitoring data
- Required SIP revision that meets Moderate area obligations per:
  - Clean Air Act Sec. 182(b)
  - EPA's SIP Requirements Rule for the 2008 Ozone Standard (March 2015)

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#### 2012-2014 Design Values



Map Modified from FHWA (www.fhwa.dot.gov/environment/air\_quality/conformity/reference/maps/ozone\_2008/co\_denver.cfm); ^ On-line in 2013, 3-years of data not available.

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## **Required SIP Elements**

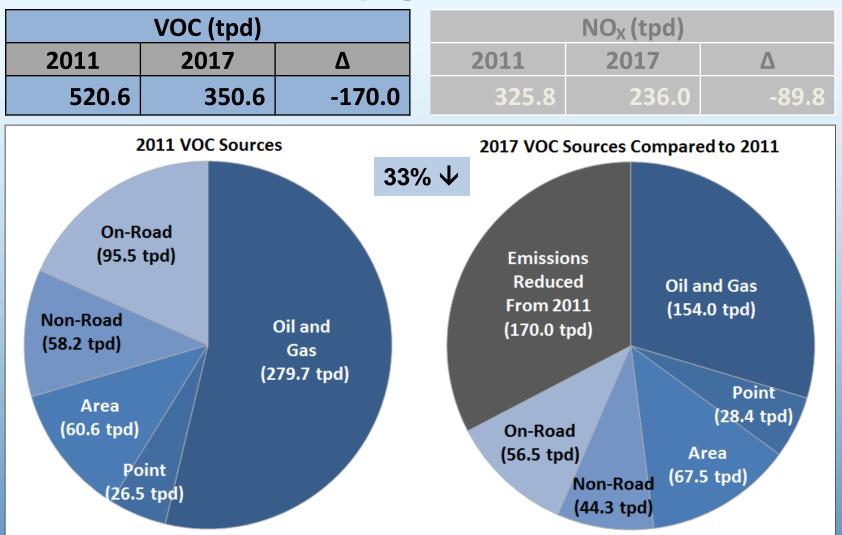
- 2011 Base Year & 2017 Future Year Emissions Inventories
- Reasonable Further Progress (RFP) Demonstration
  - 15% reduction in VOC emissions by 2017
- Attainment Demonstration And Weight of Evidence Analysis
- Reasonably Available Control Measures (RACM) Analysis
  - Technologically and economically feasible measures
- Stationary Source Control Programs
  - Reasonably Available Control Technology (RACT) for existing sources
  - Nonattainment New Source Review (NSR) for new sources
- Motor Vehicle Inspection and Maintenance (IM) Program
- Contingency Measures Plan
- Motor Vehicle Emissions Budgets (MVEB)



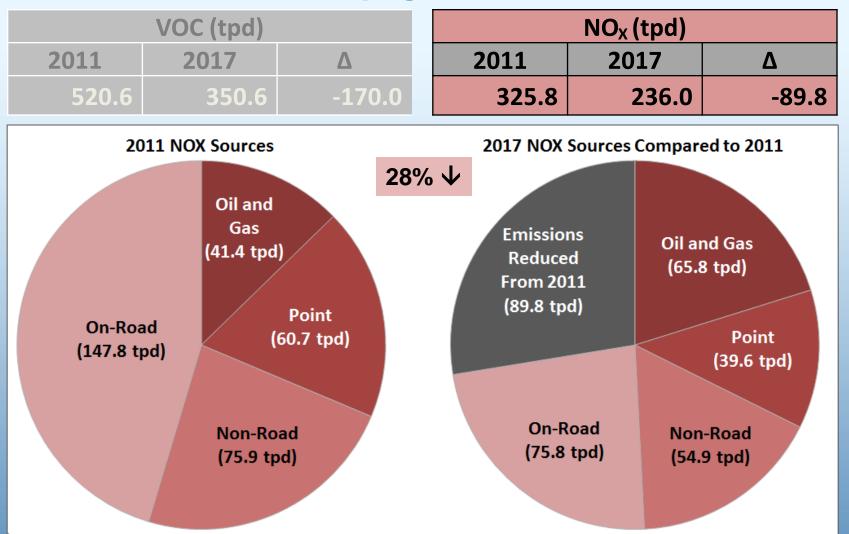
# **Emission Inventory Categories**

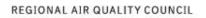
- Oil and gas sources
  - Point sources
  - Condensate tanks
  - Area sources
- Point sources
  - Includes power plants, combustion boilers, industrial processes
- Area sources
  - Wide range of VOC source categories
- Non-road mobile sources
  - Locomotives, aircraft, construction equipment, small engines
- On-road mobile sources
  - Light-duty vehicles
  - Heavy-duty vehicles

#### 2011 and 2017 VOC Emissions Inventory All Anthropogenic Sources



#### **2011 and 2017 NO<sub>X</sub> Emissions Inventory** All Anthropogenic Sources





#### **Control Measures in 2017 Inventory**

- Federal On-Road and Non-Road Mobile Source Standards/Regulations
  - Light-duty vehicle and fuel standards
  - Heavy-duty vehicle and fuel standards
  - Non-road engine standards
- Inspection and Maintenance Program
  - AQCC Regulation No. 11 Remove state-only requirement for Larimer and Weld counties
- Oil and Gas Regulations
  - AQCC Regulation No. 7 existing and new revisions to Sec. XII
- 7.8 Reid Vapor Pressure (RVP) with 1 PSI Ethanol Waiver (8.8 RVP)
- Stage I Vapor Recovery at Gas Stations
- Power Plant Emissions Reductions Clean Air Clean Jobs & Regional Haze
  - AQCC Regulation No. 3
- Other Stationary Source Regulations
  - AQCC Regulation No. 3, No. 6, and No. 7

## **Previously Adopted Regulation No. 7 Provisions**

- Proper operation and maintenance of air pollution control equipment (XII.C.1.a.)
- Storage, processing, and handling operations shall minimize leakage of VOCs to the maximum extent practicable (XII.C.1.b.)
- Air pollution control equipment must meet a 95%+ control efficiency (XII.C.1.c.)
- Combustion devices must be enclosed with no visible emissions (XII.C.1.d.)
- 90% system-wide control for condensate tanks (> 2 tpy) (XII.D.2.a.(x))
- Leak detection and repair (LDAR) at Gas Processing Plants (XII.G.1.)
- 90% reduction of VOCs for flash separator/tank vents on glycol natural gas dehydrators (XII.H.1.)
- Monitoring, recordkeeping and reporting (XII.E., XII.F.)

## **Newly Adopted Regulation No. 7 Provisions in SIP**

#### Auto-Igniters (XII.C.1.e)

- Section XII.C.1.e is currently State-Only and requires that all combustion devices used to control emissions of VOCs from certain oil and gas facilities shall be equipped with and operate an auto-igniter
- Propose to include in federally enforceable SIP
- Audio, Visual, Olfactory (AVO) Inspections (XII. and XVII.C.1.d)
  - Section XII requires visual inspection of condensate tanks and is part of the Ozone SIP
  - Section XVII.C.1.d requires broader AVO inspections of storage tanks (condensate, crude, produced water) and any associated equipment, but is a State-Only requirement
  - Propose to strengthen SIP control strategy by adding AVO requirement for condensate tanks in Section XII as an enforceable part of the SIP

#### 2011 and 2017 Emissions Inventory Oil and Gas – Condensate Tanks

VOC (tpd)			NO <sub>x</sub> (tpd)		
2011	2017	Δ	2011	2017	Δ
216.0	78.7	-137.3	1.1	0.6	-0.5

Data provided by top 6 producers (85% of industry production)

- Production in 2014 and projected 2017
- Horizontal/vertical wells and stages of separation
- Site-specific emission factors for each type of well and separation
- Estimates for remainder of industry based on top producers
- Emission estimates factor in:
  - Advances in well design and technology
  - Federal regulations
  - AQCC Reg. No.7 (components of 2014 rule & 90% system-wide control)
  - Rule effectiveness (83% for Stage 1 separators, 86% for Stage 2-3)

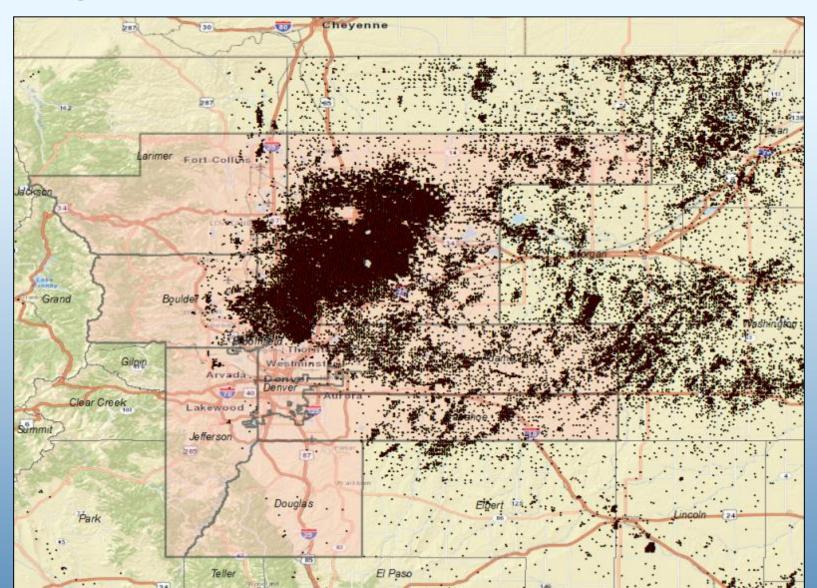
#### 2011 and 2017 Emissions Inventory Condensate Tanks – VOC Emissions

Well Type	Stages of Separation	2014 Oil Production (bbl)	2017 Oil Production (bbl)	Uncontrolled 2014 Emission Factors (lbs/bbl)	2017 Uncontrolled Emissions (tpd)	2017 Controlled Emissions* (tpd)	
	tankless	10,217,913	52,247,476	0.00	0.00	0.00	
	1	13,431,681	9,853,200	7.27	98.15	24.83	
Horizontal	2	20,177,237	46,720,020	2.01	128.85	29.12	
	3	26,382,023	26,689,883	0.96	35.22	7.96	
	Total	70,208,854	135,510,578		262.22	61.91	
	1	7,762,587	6,099,598	9.67	80.80	20.44	
Vertical	2	3,006,421	2,045,998	7.71	21.60	4.88	
Vertical	3	12,732	0		0.00	0.00	
	Total	10,781,740	8,145,596		102.40	25.32	
TOTAL 9-COUNTY		80,990,594	143,656,174		364.63	87.24	
TOTAL NONATTAINMENT AREA (90.2%)		73,049,467	129,570,686		328.88	78.68	
* Assumes 90% system-wide control;				Reduction from 2011		137.32	
83% Rule Effectiveness (RE) for 1 Stage;				(216 tpd VOC)		64%	
0.00/	86% RE for 2 and 3 Stage						

86% RE for 2 and 3 Stage

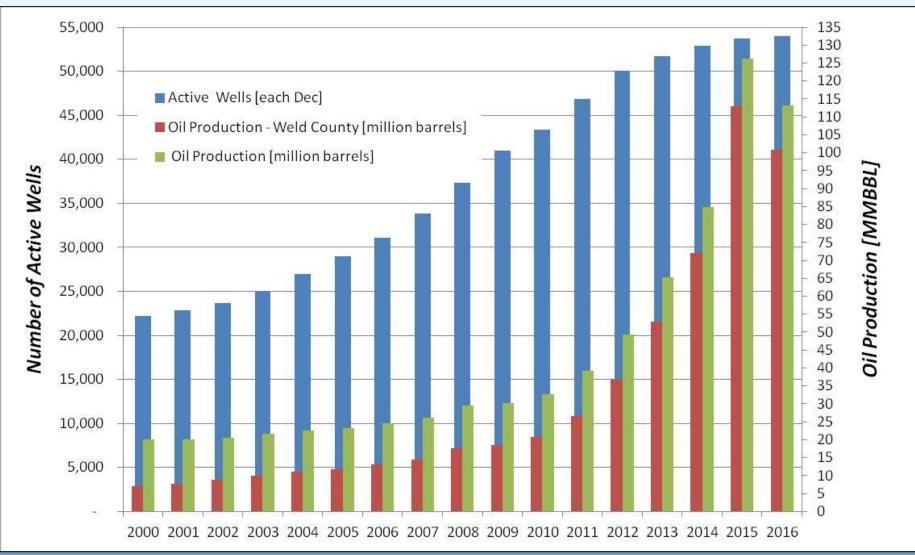
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## **Significant Number of Wells in DM/NFR**



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#### **Colorado Annual Oil Production + Active Wells**



Source: Air Pollution Control Division (APCD) July 2017

#### 2011 and 2017 Emissions Inventory Oil and Gas – Point Sources

VOC (tpd)			NO <sub>x</sub> (tpd)		
2011	2017	Δ	2011	2017	Δ
14.8	16.3	1.5	17.0	19.7	2.7

#### Sources

- External Combustion Boilers
- Industrial Processes
- Internal Combustion Sources
- Petroleum and Solvent Evaporation
- Based on 2014 APEN emission inventory
- Emissions grown by increase in oil production 2014-2017
- IC Engines factor in federal/state controls

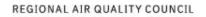
#### 2011 and 2017 Emissions Inventory Oil and Gas – Area Sources

VOC (tpd)				NO <sub>x</sub> (tpd)		
2011	2017	Δ	2011	2017	Δ	
48.9	59.0	10.0	22.2	44.7	22.5	

- Includes a wide variety of sources:
  - Engines, truck loading, pneumatic devices, fugitives, completions, blowdowns
- Data provided by top 5 of 6 producers
  - Estimates for remainder based on top producers and scaled up by either production or well count depending on source
  - Estimates based on current industry practice and requirements of state and federal rules
  - Assumed 60% reduction for fugitives (based on EPA RACT); applied to based on 2011 survey on fugitives estimates



# REASONABLY AVAILABLE CONTROL TECHNOLOGY (RACT) ANALYSIS



## **2017 RACT Analysis**

- For a Moderate Ozone Nonattainment Area
  - Major Source Threshold = 100+ tons per year (tpy)
  - Reasonably Available Control Technology (RACT) Analyses must be conducted for all 'Major Sources' of NOx or VOC as part of SIP
- 46 Major Sources in Nonattainment Area
  - Included oil and gas, breweries, boilers, engines, shale kilns, glass melters, etc.
- RACT Analyses must be completed by December 2017
  - Colorado has been meeting with major sources to provide guidance
- Rulemaking to establish categorical RACT for major sources will occur 2018 – 2019
  - To be based on data gather from RACT analysis process
- NOTE: If region is bumped-up to a Serious Nonattainment Area, major source threshold goes down to 50 tpy → 390 more sources to be considered 'major'; 95% will be oil and gas facilities



# OIL AND GAS CONTROL TECHNIQUES GUIDELINES (CTG) RULEMAKING



## **Oil & Gas CTG Rulemaking**

- EPA finalized a control techniques guidelines (CTG) for oil and natural gas VOC emissions late 2016
- EPA has provided states 2 years from final CTG to submit a RACT SIP for sources covered under the CTG
- The Colorado Air Pollution Control Division (APCD) has been collaborating with stakeholders to develop oil & gas RACT consistent with:
  - CTG
  - NSPS OOOOa
  - BLM venting and flaring rules
  - AQCC Reg. 7
- AQCC hearing scheduled for October 2017; legislative review in 2018

#### **Oil & Gas CTG Rulemaking**

<b>Emission Sources</b>	<u>Reg. 7</u>	<u>CTG</u>
Storage vessels	Yes (XII, XVII)	Yes
Compressors	Yes (XVII)	Yes
Pneumatic controllers	Yes (XVIII)	Yes
Pneumatic pumps	No	Yes
Equipment leaks at natural gas plants	Yes (XII)	Yes
Fugitive emissions – well sites and compressor stations	Yes (XVII)	Yes
Liquids unloading	Yes (XVII)	No



## **Oil & Gas CTG Rulemaking**

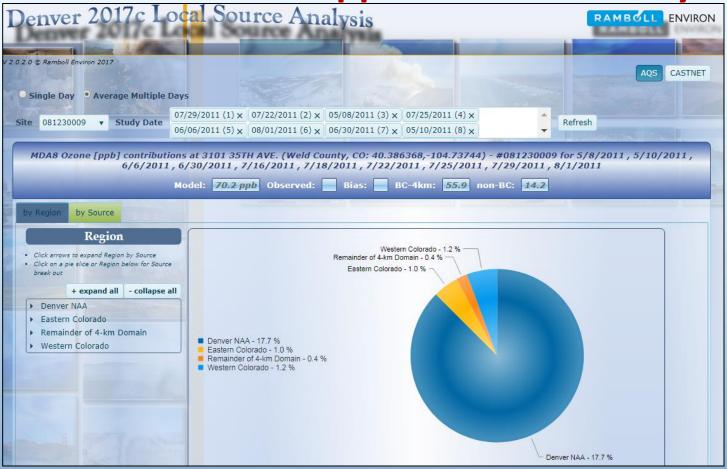
- Leak detection and repair (LDAR) program inspections
  - Threshold for inspection of well production facilities
  - Inspection frequency
  - Comparability to CTG
- Alternative monitoring methods
- Pneumatic controller inspections
  - Program design
  - Task force
  - Reevaluation
- Requirements for no-bleed pneumatic controllers
- Requirements for repairing leaks
- Reporting and recordkeeping
- Compliance deadlines
- Cost estimates for some facilities



# **2017 SOURCE APPORTIONMENT MODELING**

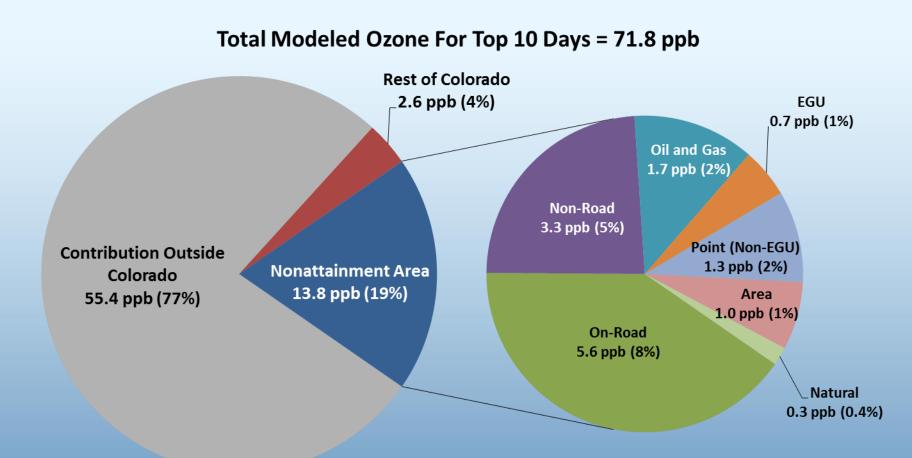
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# **2017 Local Source Apportionment Analyses**



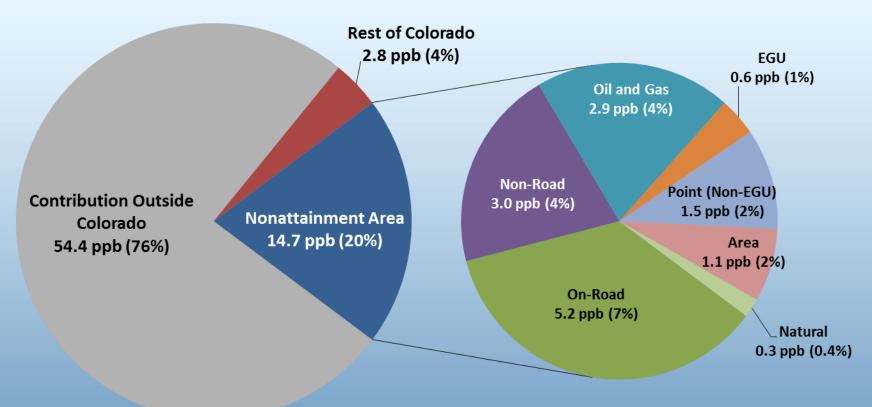
- Based on SIP Modeling platform
- Local source contribution available for every day at every monitor
- https://ims.environcorp.com/DenverLSA/Results/PostAQS

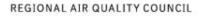
#### 2017 Local Source Apportionment Analyses Chatfield



# 2017 Local Source Apportionment Analyses

#### Total Modeled Ozone For Top 10 Days = 71.9 ppb

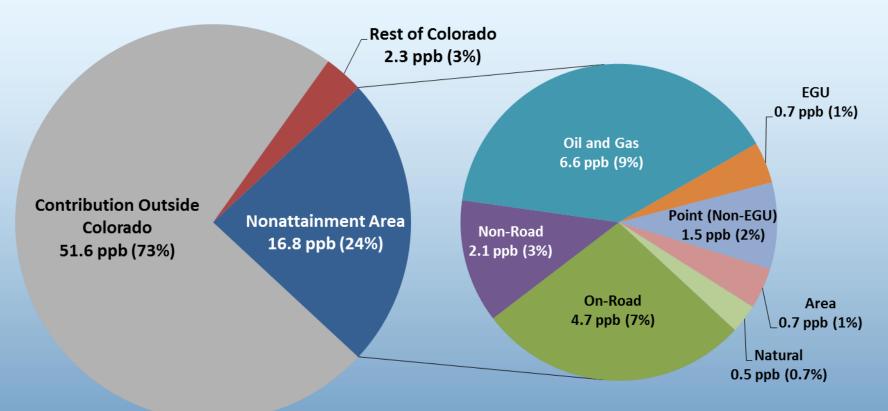




## **2017 Local Source Apportionment Analyses**

#### **Fort Collins West**

#### Total Modeled Ozone For Top 10 Days = 70.7 ppb





#### **Contact Information**

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