



ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[EPA-R03-OAR-2020-0528; FRL-10018-15-Region 3]

Air Plan Approval; Maryland; Negative Declaration for the Oil and Gas Industry

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: The Environmental Protection Agency (EPA) is proposing to approve a state implementation plan (SIP) revision submitted by the State of Maryland. This revision provides Maryland's determination, via a negative declaration, that there are no sources within its borders subject to EPA's 2016 Oil and Natural Gas Control Techniques Guidelines (2016 Oil and Gas CTG). This action is being taken under the Clean Air Act (CAA).

DATES: Written comments must be received on or before **[insert date 30 days after date of publication in the Federal Register]**.

ADDRESSES: Submit your comments, identified by Docket ID No. EPA-R03-OAR-2020-0528 at <https://www.regulations.gov>, or via email to gordon.mike@epa.gov. For comments submitted at Regulations.gov, follow the online instructions for submitting comments. Once submitted, comments cannot be edited or removed from Regulations.gov. For either manner of submission, EPA may publish any comment received to its public docket. Do not submit electronically any information you consider to be confidential business information (CBI) or other information whose disclosure is restricted by statute. Multimedia submissions (audio, video, etc.) must be accompanied by a written comment. The written comment is considered the official comment and should include discussion of all points you wish to make. EPA will generally not consider comments or comment contents located outside of the primary submission (i.e. on the web, cloud, or other file sharing system). For additional submission methods, please contact the person identified in the **For Further Information Contact** section. For the full EPA

public comment policy, information about CBI or multimedia submissions, and general guidance on making effective comments, please visit <https://www.epa.gov/dockets/commenting-epa-dockets>.

FOR FURTHER INFORMATION CONTACT: David Talley, Planning & Implementation Branch (3AD30), Air & Radiation Division, U.S. Environmental Protection Agency, Region III, 1650 Arch Street, Philadelphia, Pennsylvania 19103. The telephone number is (215) 814-2117. Mr. Talley can also be reached via electronic mail at talley.david@epa.gov.

SUPPLEMENTARY INFORMATION: On June 18, 2020, the Maryland Department of the Environment (MDE) submitted the negative declaration for the 2016 Oil and Gas CTG as a revision to the Maryland SIP.

I. Background

The CAA regulates emissions of nitrogen oxides (NO_x) and volatile organic compounds (VOCs) to prevent photochemical reactions that result in ozone formation. Reasonably available control technology (RACT) is a strategy for reducing NO_x and VOC emissions from stationary sources within areas not meeting the National Ambient Air Quality Standards (NAAQS) for ozone. EPA has consistently defined “RACT” as the lowest emission limit that a particular source is capable of meeting by the application of the control technology that is reasonably available considering technological and economic feasibility.

Control Technique Guidelines (CTGs) and Alternative Control Techniques (ACTs) form important components of the guidance that EPA provides to states for making RACT determinations. CTGs are used to presumptively define VOC RACT for applicable source categories. CAA section 182(b)(2)(A) requires that for ozone nonattainment areas classified as moderate or above, states must revise their SIPs to include provisions to implement RACT for each category of VOC sources covered by a CTG document. CAA section 184(b)(1)(B) extends the RACT obligation to all areas of states within the Ozone Transport Region (OTR), including

Maryland.¹

States subject to RACT requirements are required to enact controls for sources subject to CTGs that are at least as stringent as those found within the CTG either via the adoption of regulations, or by issuance of single source permits that outline what the source is required to do to meet RACT.² On March 6, 2016 (80 FR 12264), EPA issued a final rule entitled “Implementation of the 2008 National Ambient Air Quality Standards for Ozone: State Implementation Plan Requirements” (2008 Ozone Implementation Rule). In the preamble to the final rule, EPA makes clear that if there are no sources covered by a specific CTG source category located in an ozone nonattainment area or an area in the OTR, the state may submit a negative declaration for that CTG. See 80 FR 12264, 12278.

On October 27, 2016 (81 FR 74798), EPA published in the Federal Register the “Release of Final Control Techniques Guidelines for the Oil and Natural Gas Industry,” (2016 Oil and Gas CTG).³ This CTG provided information to state, local, and tribal air agencies to assist in determining RACT for VOC emissions from certain VOC emission source within the oil and natural gas industry. The 2016 Oil and Gas CTG replaces an earlier 1983 CTG entitled “Control of Volatile Organic Compound Equipment Leaks from Natural Gas/Gasoline Processing Plants. December 1983.” EPA-450/3-83-007 (1983 CTG) 49 FR 4432; February 6, 1984. See 2016 Oil and Gas CTG, p. 8-1.

II. Summary of SIP Revision and EPA Analysis

The 2016 Oil and Gas CTG divides the industry into four segments: production, processing, transmission and storage, and distribution. The transmission and storage sector includes compressor stations, pipelines and storage facilities. The distribution sector is the final step in delivering natural gas to customers and includes gas mains and service pipelines. See

¹ CAA section 184(a) establishes a single OTR comprised of 11 eastern states (including Maryland) and the Consolidated Metropolitan Statistical Area (CMSA) that includes the District of Columbia.

² EPA took final action to approve Maryland’s SIP revision addressing VOC RACT requirements (including the other CTGs) for the 2008 8- hour ozone NAAQS on February 20, 2019. See 84 FR 5004.

³ The CTG is available at <https://www.epa.gov/sites/production/files/2016-10/documents/2016-ctg-oil-and-gas.pdf> and is also included in the docket for this action.

CTG p.3-1; see also CTG pp.3-1 through 3-3 for a brief explanation of each segment. However, not all four segments of the industry are subject to the requirements of the CTG. The CTG covers select sources of VOC emissions in the onshore production and processing segments of the oil and natural gas industry (i.e., pneumatic controllers, pneumatic pumps, compressors, equipment leaks, fugitive emissions) and storage vessel VOC emissions in all segments (except distribution) of the oil and natural gas industry. These sources were selected for RACT recommendations because current information indicates that they are significant sources of VOC emissions.

According to Maryland's June 18, 2020 submittal, MDE conducted a review of potential sources subject to the 2016 Oil and Gas CTG. This review consisted of a search of Maryland's oil and gas well records, air permit records, EPA greenhouse gas reporting records, and the Standard Industrial Classification (SIC) system.⁴ MDE's search identified a total of 13 facilities in Maryland operating in the production, processing, or transmission and storage segments of the oil and natural gas industry. However, none of these facilities met or exceeded the applicability criteria of the CTG.⁵ MDE identified five facilities in the natural gas transmission sector, but determined that none of them had storage tanks with the potential to emit (PTE) more than 6 tons per year (tpy) of VOCs, which is the threshold for applicability of the CTG. Additionally, MDE identified eight active individual production wells. None of these exceeded the 15 barrel equivalents per day per well threshold for CTG applicability. Further, none of the production wells were determined to operate pneumatic pumps or controllers, or compressors. Finally, with respect to fugitive emissions, none of the wells exceed the applicability threshold of a gas to oil ratio (GOR) of 300 or greater.

III. Proposed Action

EPA's review of this material indicates that it meets all applicable CAA requirements,

⁴ See pp. 1-3 of Maryland's submittal, included in the docket for this rulemaking action.

⁵ See pp. 1-3 of Maryland's submittal, included in the docket for this rulemaking action.

including CAA sections 182(b)(2)(A) and 184(b)(1)(B), and that MDE has satisfactorily demonstrated that there are no sources operating in Maryland subject to the 2016 Oil and Gas CTG. EPA is proposing to approve Maryland's June 18, 2020 negative declaration SIP submittal as a revision to the Maryland SIP. EPA is soliciting public comments on Maryland's negative declaration, including the adequacy of MDE's search and analysis of the CTG applicability criteria. Comments concerning the adequacy of the 2016 Oil and Gas CTG itself are not germane to this action and will not be considered. Relevant comments will be considered before taking final action.

IV. Statutory and Executive Order Reviews

Under the CAA, the Administrator is required to approve a SIP submission that complies with the provisions of the CAA and applicable Federal regulations. 42 U.S.C. 7410(k); 40 CFR 52.02(a). Thus, in reviewing SIP submissions, EPA's role is to approve state choices, provided that they meet the criteria of the CAA. Accordingly, this action merely approves state law as meeting Federal requirements and does not impose additional requirements beyond those imposed by state law. For that reason, this proposed action:

- Is not a "significant regulatory action" subject to review by the Office of Management and Budget under Executive Orders 12866 (58 FR 51735, October 4, 1993) and 13563 (76 FR 3821, January 21, 2011);
- Is not an Executive Order 13771 (82 FR 9339, February 2, 2017) regulatory action because this is not a "significant regulatory action" under Executive Order 12866.
- Does not impose an information collection burden under the provisions of the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*);
- Is certified as not having a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*);

- Does not contain any unfunded mandate or significantly or uniquely affect small governments, as described in the Unfunded Mandates Reform Act of 1995 (Public Law 104-4);
- Does not have Federalism implications as specified in Executive Order 13132 (64 FR 43255, August 10, 1999);
- Is not an economically significant regulatory action based on health or safety risks subject to Executive Order 13045 (62 FR 19885, April 23, 1997);
- Is not a significant regulatory action subject to Executive Order 13211 (66 FR 28355, May 22, 2001);
- Is not subject to requirements of section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) because application of those requirements would be inconsistent with the CAA; and
- Does not provide EPA with the discretionary authority to address, as appropriate, disproportionate human health or environmental effects, using practicable and legally permissible methods, under Executive Order 12898 (59 FR 7629, February 16, 1994).

In addition, this proposed rulemaking, pertaining to Maryland's negative declaration for the 2016 Oil and Gas CTG, does not have tribal implications as specified by Executive Order 13175 (65 FR 67249, November 9, 2000), because the SIP is not approved to apply in Indian country located in the State, and EPA notes that it will not impose substantial direct costs on tribal governments or preempt tribal law.

List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control, Incorporation by reference, Ozone, Volatile organic compounds.

Dated: February 3, 2021

Diana Esher,
Acting Regional Administrator,
Region III.

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