

# Offshore Petroleum and Natural Gas Production



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## Final Rule: Petroleum and Natural Gas Production (40 CFR 98, subpart W)

*Under the Greenhouse Gas Reporting Program (GHGRP), owners or operators of petroleum and natural gas facilities that emit 25,000 metric tons of carbon dioxide equivalent (CO<sub>2</sub>e) or more from process operations and stationary fuel combustion must report GHG emissions to EPA. Owners or operators are required to collect emission data; calculate GHG emissions; and follow the specified procedures for quality assurance, missing data, recordkeeping, and reporting. Subpart W covers eight segments of the petroleum and natural gas industry: onshore petroleum and natural gas production, offshore petroleum and natural gas production, onshore natural gas processing, natural gas transmission compression, underground natural gas storage, liquefied natural gas (LNG) storage, LNG import and export, and natural gas distribution. **This fact sheet addresses only the offshore petroleum and natural gas production industry segment.***

### How Is This Industry Segment Defined?

Offshore petroleum and natural gas production is defined as any platform structure, affixed temporarily or permanently to offshore submerged lands, that houses equipment to extract hydrocarbons from the ocean or lake floor and that processes and/or transfers such hydrocarbons to storage, transport vessels, or onshore. In addition, offshore production includes secondary platform structures connected to the platform structure via walkways, storage tanks associated with the platform structure and floating production and storage offloading equipment (FPSO). This industry segment does not include reporting of emissions from offshore drilling and exploration that is not conducted on production platforms. The industry segment consists of both platforms that are under the jurisdiction of the U. S. Department of Interior, Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) and those that are not.

### What Gases Would Be Reported?

Offshore platforms must report the following emissions:

- Methane (CH<sub>4</sub>) emissions from the equipment types identified in the latest published Gulfwide Offshore Activities Data System <sup>1</sup> (GOADS) emissions study, excluding fuel combustion equipment.
- Carbon dioxide (CO<sub>2</sub>), CH<sub>4</sub>, and nitrous oxide (N<sub>2</sub>O) emissions from flares, as reported in the latest GOADS report.
- CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O emissions for stationary combustion sources following the requirements of 40 CFR 98, subpart C (General Stationary Fuel Combustion Sources). Stationary combustion

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<sup>1</sup> Year 2008 Gulfwide Emissions Inventory Study: Draft Report, U.S. Department of the Interior, Bureau of Ocean Energy Management, Regulation and Enforcement, Gulf of Mexico OCS Region, New Orleans, LA. Draft OCS Study BOEMRE 2010-0xx, September 2010.  
[http://www.gomr.boemre.gov/homepg/regulate/environ/airquality/gulfwide\\_emission\\_inventory/2008GulfwideEmissionInventory.html](http://www.gomr.boemre.gov/homepg/regulate/environ/airquality/gulfwide_emission_inventory/2008GulfwideEmissionInventory.html)

sources include but are not limited to boilers, heaters, burners, gasoline/diesel engines, natural gas engines, and natural gas, diesel, or dual-fuel turbines. Emissions from portable/mobile equipment are not required to be reported.

## When Must Reporting Begin?

The starting year depends on the subpart to which the platform is subject.

- Platforms that are subject to subpart C for stationary fuel combustion sources (i.e., with combustion emissions of 25,000 tons CO<sub>2</sub>e or more per year) must submit the first report to EPA on March 31, 2011 for stationary fuel combustion emissions in 2010.
- Platforms that are subject to subpart W must submit the first report for emissions from offshore petroleum and natural gas production on March 31, 2012 for emissions in 2011.

## Who Has to Report?

- Subpart W applies to offshore platforms that emit 25,000 metric tons of CO<sub>2</sub>e per year or more in combined emissions from stationary fuel combustion and equipment leak and vented emissions from offshore petroleum and natural gas production equipment. How CO<sub>2</sub>e emissions are estimated for applicability purposes depends on whether or not you report to BOEMRE under the GOADS program<sup>2</sup>.
- GOADS reporters determine applicability based upon emissions reported in the latest published GOADS emissions study (e.g., for calendar year 2011, use emissions from the 2008 GOADS report<sup>3</sup>).
- Non-GOADS reporters determine applicability using the emissions estimation methodologies contained in the latest published GOADS emissions study. To assist non-GOADS reporters in estimating emissions, EPA plans to develop an on-line Applicability Tool. The tool uses a simple calculator based on conservatively high emission factors. While the tool may be helpful in identifying platforms that are clearly above or below the threshold, it is the responsibility of owners and operators to determine if the rule applies. The Applicability Tool will be available at <http://www.epa.gov/climatechange/emissions/GHG-calculator/index.html>.

If not subject to the rule for reporting year 2011, then owners and operators must reassess the threshold determination each year in which operating hours increase or when a new GOADS study is published. If an offshore facility that initially exceeded the threshold subsequently reports less than the 25,000 metric tons of CO<sub>2</sub>e for 5 consecutive years or less than 15,000 metric tons of CO<sub>2</sub>e for 3 consecutive years, then that facility may cease reporting.

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<sup>2</sup> GOADS reporters are those sources located in the western Gulf of Mexico Outer Continental Shelf (i.e., west of 87° 30' West longitude). Non-GOADS reporters include all other offshore platforms, including sources located in State waters or areas outside of the Gulf of Mexico.

<sup>3</sup> The GOADS inventories are published on a 3 year cycle (i.e., for years 2005, 2008, 2011, etc).

## How Must GHG Emissions Be Calculated?

Emissions will be calculated differently depending upon whether or not the platform is a GOADS reporter. Offshore platforms are to follow the monitoring and QA/QC requirements in the BOEMRE regulations that apply to the GOADS program (30 CFR 250).

### GOADS reporters:

- Report emissions from the latest published GOADS emissions study (e.g., for reporting year 2011, use emissions from the 2008 GOADS emissions study).
- For any year that does not coincide with the latest GOADS publication year, report the most recent GOADS emissions, adjusted based on the operating time for the facility relative to the operating time in the most recent GOADS emissions study.

### Non-GOADS reporters:

- Estimate emissions using the methodologies in the latest published GOADS emissions study.
- For any calendar year that does not coincide with publication of a GOADS emissions study, report the most recent emissions data reported to EPA, adjusted based on the operating time for the facility relative to the operating time in the previous reporting period.

### Discontinued or Delayed GOADS Inventories:

In the event that the GOADS program is discontinued or delayed by more than 4 years, then once every 4 years both GOADS and non-GOADS reporters must use the most recent GOADS emissions study methodologies to report emissions, beginning in the year that the GOADS emissions study would have been published.

## What Information Must Be Reported?

Facilities would report the following information:

- Annual emission of all greenhouse gases combined, expressed in metric tons of CO<sub>2</sub>e.
- Annual CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O emissions, expressed in metric tons of each gas.
- Annual CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O emissions aggregated for each equipment type (for example, amine units, fugitives, etc.).

## For More Information

This document is provided solely for informational purposes. It does not provide legal advice, have legally binding effect, or expressly or implicitly create, expand, or limit any legal rights, obligations, responsibilities, expectations, or benefits in regard to any person. The series of information sheets is intended to assist reporting facilities/owners in understanding key provisions of the final rule.

Visit EPA's Web site ([www.epa.gov/climatechange/emissions/ghgrulemaking.html](http://www.epa.gov/climatechange/emissions/ghgrulemaking.html)) for more information, including all rulemakings related to the Greenhouse Gas Reporting Program, additional information sheets on specific industries, the schedule for training sessions, and other documents and tools. For questions that cannot be answered through the Web site, please contact us at: [GHGreporting@epa.gov](mailto:GHGreporting@epa.gov).