



EPA's Proposal to Reduce Climate- and Health-Harming Pollution from the Oil and Natural Gas Industry: Addressing Small Business Concerns

November 2, 2021 - The U.S. Environmental Protection Agency (EPA) is taking a significant step in fighting the climate crisis and protecting public health through a proposed rule that would **sharply reduce methane and other harmful air pollutants from both new and existing sources in the oil and natural gas industry**. The proposal would encourage the use of **innovative methane detection technologies and other cutting-edge solutions**, many of which are being developed and deployed by small businesses providing well-paying jobs across the United States. In addition, the proposal leverages proven and highly cost-effective best practices and technologies that are already being deployed by leading companies and several major oil and gas-producing states.

EPA **sought input from small businesses** as it developed the proposed rule, and the proposal responds to a number of their recommendations. In addition, the Agency is **seeking comments on potential small business impacts** of the proposed requirements and how to address those impacts while achieving the climate and health objectives of the proposed rule.

EPA's Proposal Responds to a Number of Recommendations from a Small Business Advocacy Review Panel

- As it was developing the proposed rule, EPA convened a Small Business Advocacy Review (SBAR) Panel to obtain advice and recommendations from small entity representatives that potentially would be subject to the rule's requirements. The proposed rule responds to a number of the panel's recommendations.
- Several of the panel's recommendations focused on monitoring requirements for leaks (fugitive emissions), including asking that EPA focus requirements on larger emitters and impose fewer requirements on sources with minimal emissions.
 - EPA is proposing a comprehensive monitoring program to require companies to find and fix leaks (known as "fugitive emissions") at new and existing well sites and compressor stations. The proposed leaks monitoring program is designed to focus monitoring efforts on sites that are most likely to have large emissions.
 - Well sites with emission of less than 3 tons per year would be not required to conduct ongoing monitoring; however, they would have to promptly conduct a

survey (and perform repairs as needed) to demonstrate they are free of leaks or malfunctions. Well sites with emissions of 3 or more tons per year would be required to monitor quarterly.

- EPA is co-proposing a requirement that sites with estimated emissions between 3 and 8 tons per year be monitored semi-annually, rather than quarterly.
- As the panel recommended, the proposed leaks monitoring program would not require leaks monitoring for “wellhead only” well sites. When a well site removes major production and processing equipment so that it becomes a wellhead only site, EPA is proposing to require owners or operators to recalculate emissions to determine if a different monitoring frequency is required.
- As the SBAR panel recommended, EPA’s proposal would continue to allow EPA Method 21 as an alternative to Optical Gas Imaging for leaks monitoring. The Agency also is proposing to give owners/operators the flexibility to use advanced methane detection technologies for leaks surveys at all well sites and compressor stations. These advanced methane detection technologies allow owners and operators to detect large leaks and malfunctions more rapidly and cost-effectively than ever before, and the use of these technologies enjoys broad support from industry, states and tribes, communities, health and environmental organizations, and other stakeholders.
- The proposed rule also reflects small business panel recommendations to:
 - Maintain the streamlined recordkeeping and reporting requirements from the 2020 Technical Rule;
 - Exclude well sites with only a wellhead and small compressor from the definition of a centralized production facility; and
 - Maintain the flexibility to allow in-house engineers to complete certifications of technical infeasibility.

EPA is Seeking Comments on Aspects of the Proposed Rule that Would Affect Small Businesses

- Requirements in the proposed rule would apply to businesses of all sizes, and EPA is seeking comment on the impact of those requirements on small businesses. Many of these relate to leaks monitoring for existing sources.
- EPA is continuing to examine the impact that the proposed leaks monitoring requirements would have on small businesses, particularly on businesses with very few employees, or small businesses that own very few wells. For example, the Agency is seeking comment on:

- Whether existing well sites, or a subcategory of well sites, could have different emission profiles due to site characteristics or other factors that would suggest that a different presumptive standard for existing sources is appropriate;
- Regulatory alternatives that accomplish Clean Air Act objectives while minimizing significant economic impact to small businesses; and
- In addition, EPA is seeking comment on whether the definition of hydraulic fracturing should include numeric thresholds, or if the definition should be aligned with definitions used by other federal agencies

EPA is Implementing Additional Recommendations from the Small Business Panel

- EPA is acting on some recommendations from the SBAR panel that fell outside the scope of the proposed rule.
- For example, the Agency is continuing to engage with other federal agencies such as the Bureau of Land Management and the Pipeline and Hazardous Materials Safety Administration to in an effort to avoid overlapping or contradictory federal requirements on oil and gas sources.
- EPA also has committed to assess ways to simplify the electronic reporting template for small businesses. In addition, the Agency has committed to consult small businesses during the development of the updated template.

EPA Will Host a Training for Small Businesses Stakeholders

- EPA will host a virtual training about the proposal for small business stakeholders Thursday, Nov. 18, 2021 from 12:30 to 6 p.m. Eastern time
- The training will provide; background information on the oil and gas production process; an overview of the proposed rules; panel discussions with small business stakeholders; and information on how to effectively engage in the regulatory process.
- To register to attend the training, visit <https://www.epa.gov/controlling-air-pollution-oil-and-natural-gas-industry> .

For More Information

- To read the proposal, additional fact sheets, and for instructions on submitting comments, visit: <https://www.epa.gov/controlling-air-pollution-oil-and-natural-gas-industry>