

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

Air Quality Control Commission

REGULATION NUMBER 6

STANDARDS OF PERFORMANCE FOR NEW STATIONARY SOURCES

5 CCR 1001-8

PART A

Federal Register Regulations Adopted by Reference

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Subpart OOOO Standards of Performance for Crude Oil and Natural Gas Production, Transmission and Distribution. 40 CFR Part 60, Subpart OOOO (July 1, 2012), as amended by 78 Fed. Reg. 58416 (September 23, 2013), August 16, 2012, (77 FR 49490) ~~where both uncontrolled actual emissions from the affected facility are equal to or greater than the Air Pollution Emission Notice (APEN) thresholds found at Regulation Number 3, Part A, Sections II.B.3.a. or II.B.3.b. and total facility uncontrolled actual emissions are equal to or greater than the permitting thresholds found at Regulation Number 3, Part B, Sections II.D.2., II.D.3., or II.D.4. for the following affected facilities: storage vessels at well sites beginning ninety days after the first day of production; storage vessels at any site other than well sites in the oil and natural gas production segment, the natural gas processing segment, and the natural gas transmission and storage segment; centrifugal compressors with wet seals; reciprocating compressors; pneumatic controllers; the group of all equipment (equipment leaks or leaking components) at on-shore natural gas processing plants; and sweetening units at on-shore natural gas processing plants.~~

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XIX. Adopted February 21, 2014

This Statement of Basis, Specific Statutory Authority, and Purpose complies with the requirements of the Colorado Administrative Procedures Act, Section 24-4-103, C.R.S., and the Colorado Air Pollution Prevention and Control Act, C.R.S. §§ 25-7-110 and 25-7-110.5.

Basis

The State of Colorado is required under Section 111 of the Clean Air Act ("CAA") to adopt New Source Performance Standards ("NSPS") into its regulations in order to maintain agency authority with regard to the standards. The CAA Section 111(c) provides broad flexibility for states to seek, and EPA to grant, delegation of authority to implement the NSPS.

The EPA promulgated new standards of performance at 40 C.F.R. Part 60, Subpart OOOO ("NSPS OOOO"), which were adopted in part by the Air Quality Control Commission ("Commission") on October 18, 2012. On September 23, 2013, the EPA amended NSPS OOOO. The Commission intends that Colorado now fully adopt NSPS OOOO as amended.

Specific Statutory Authority

The Colorado Air Pollution Prevention and Control Act, C.R.S. §§ 25-7-105(1) directs the Commission to promulgate such rules and regulations as are consistent with the legislative declaration set forth in section 25-7-102 and are necessary for the proper implementation and administration of [Article 7]. C.R.S. §§ 25-7-105(1)(b) and 25-7-109 authorize the Commission to adopt emission control regulations, including emission control regulations relating to new stationary sources, for the development of an effective air quality control program. Further, C.R.S. § 25-7-106(6) authorizes the Commission to require testing, monitoring, and recordkeeping.

Purpose

Adoption of NSPS OOOO will not impose upon sources additional requirements beyond the minimum required by federal law but make this rule enforceable under Colorado law.

NSPS OOOO

NSPS OOOO applies to natural gas wells, storage vessels, centrifugal compressors with wet seals, reciprocating compressors, pneumatic controllers, leaks and leaking components at gas plants, and sweetening units. The Commission partially adopted the NSPS OOOO provisions for storage vessels, centrifugal compressors with wet seals, reciprocating compressors, pneumatic controllers, leaking components, and sweetening units to the extent the affected facilities triggered the combination of existing reporting and permitting requirements in Colorado as of October 18, 2012. The Commission also partially adopted the NSPS OOOO provisions for storage vessels at well sites, associated with exploration and production, after the first 90 days of production has occurred. The Commission also delayed the adoption of the NSPS OOOO natural gas well green completion provisions. As part of a larger rulemaking package also involving Regulation Numbers 3 and 7, the Commission now fully adopts all provisions in NSPS OOOO as amended, including the requirements for all affected facilities regardless of emission levels, the requirements for storage vessels and pneumatic controllers at well sites at all times, and the natural gas well green completion provisions.

Storage Vessel vs. Storage Tank

The Commission adopts NSPS OOOO including the federal definition of “storage vessel.” The federal definition of storage vessel excludes manifolded tanks and instead requires that applicability be determined for each individual storage vessel or tank. NSPS OOOO then applies control requirements to individual storage vessels in a series of tanks, or tank battery. This approach is contrary to Colorado’s longstanding approach to the regulation of storage tanks. The Commission’s Regulation Numbers 3 and 7 regulate “storage tanks,” which include any single tank or series of tanks which are manifolded together. Regulation Number 7 then applies control requirements to all storage tanks in the tank battery. This difference means that one storage vessel in a battery of storage tanks could be subject to NSPS OOOO requirements, while the remaining storage tanks in the battery would only be subject to Colorado Regulation Numbers 3 and 7 requirements.

This legal distinction between “storage vessel” under NSPS OOOO and “storage tank” under Regulation Number 7 could possibly create uncertainty and increase administrative burdens. The likely practical effect, however, will be that owners and operators will choose to utilize the Regulation Number 7 definition in complying with NSPS OOOO in order to simplify their regulatory burdens.