

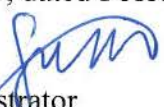


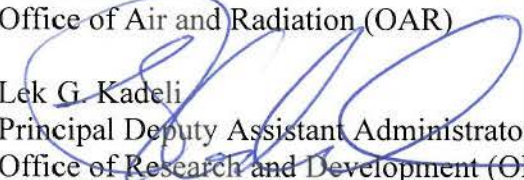
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

APR 18 2013

MEMORANDUM

SUBJECT: Response to the Office of Inspector General (OIG) Final Report No. 13-P-0161
EPA Needs to Improve Air Emissions Data for the Oil and Natural Gas Production Sector, dated February 20, 2013

FROM: Gina McCarthy 
Assistant Administrator
Office of Air and Radiation (OAR)

Lek G. Kadeli 
Principal Deputy Assistant Administrator
Office of Research and Development (ORD)

TO: Arthur A. Elkins, Jr.
Inspector General
Office of the Inspector General (OIG)

Thank you for the opportunity to respond to the OIG Final Report titled, *EPA Needs to Improve Air Emissions Data for the Oil and Natural Gas Production Sector*. We appreciate the OIG's efforts to assess whether the EPA could improve air emissions data, necessary for making key decisions associated with the oil and natural gas production processes including the need for regulations, and enforcement and permitting.

The EPA agrees with the OIG's recommendations and has listed below the Agency's high-level corrective actions. However, it is important to understand that the Agency's timely execution of the corrective actions is directly dependent upon the availability of resources.

AGENCY'S RESPONSE TO REPORT RECOMMENDATIONS

No.	Recommendation	High-Level Intended Corrective Action(s)	Estimated Completion by Quarter and FY
1	<p>Develop and implement a joint comprehensive cross-office strategy for improving data for the oil and gas production sector. The strategy should:</p> <p>a. Identify gaps and limitations in (1) existing oil and gas air emissions data, (2) emission factors, and (3) measurement techniques, including direct and remote measurement methods.</p> <p>b. Prioritize what data limitations are most significant and develop specific action plans for how EPA will address these gaps and limitations.</p>	<p>1.1 The EPA will establish an ORD/OAR cross-office team and begin developing a strategy for improving oil and gas sector emissions data, emissions factors, and measurement techniques that will build on work already under way or completed.</p> <p>The strategy document will:</p> <ul style="list-style-type: none"> • summarily describe the gaps/limitations identified in ongoing Agency research planning activities; • consider opportunities for incorporating other existing data sources in the public and private sectors; • prioritize the data gaps over the strategy time frame; • propose actions in summary manner to address data gaps/limitations, beginning with those considered as highest priority; and • inform EPA's Air, Climate and Energy (ACE) research plan as the framework for needed research. 	1 st Quarter FY 2014
		<p>1.2 The EPA will conduct a cross-office review of the draft oil and gas sector emissions data improvement strategy.</p>	1 st Quarter FY 2014
		<p>1.3 The EPA will revise the draft strategy based upon the cross-office review and submit the final draft for review and approval by both OAR and ORD.</p>	2 nd Quarter FY 2014
		<p>1.4 The EPA will begin implementation of the approved, final oil and gas sector emissions data improvement strategy in a coordinated cross-office effort.</p>	3 rd Quarter FY 2014

2	Prioritize and update the existing oil and gas production emissions factors that are in greatest need of improvement and develop emissions factors for key oil and gas production processes that do not currently have emissions factors.	2.1 The EPA will finalize the revised emissions factors development procedures for data collected from traditional test methods.	4 th Quarter FY 2014
		2.2 The EPA will revise WebFIRE to include the emissions factors development procedures for data collected using traditional test methods.	1 st Quarter FY 2015
		2.3 The EPA will revise the Electronic Reporting Tool (ERT) to accommodate those non-traditional measurement techniques identified in the cross-office strategy and fully developed by the 4 th quarter of FY 2017.	4 th Quarter FY 2018
		2.4 The EPA will set forth procedures for developing emissions factors based on data collected with non-traditional measurement techniques and incorporate those procedures into WebFIRE.	4 th Quarter FY 2019
3	Ensure that the data in the NEI are updated by: a. Monitoring the states' submission of oil and gas emissions data for point sources and nonpoint sources pursuant to the requirements of the AERR and assisting states in complying with the rule.	3.1 The EPA will use the oil and gas tool for estimating nonpoint emissions from oil and gas production to ensure the 2011 NEI version 1 has a complete estimate for the oil and gas sector for both criteria air pollutants and hazardous air pollutants.	1 st Quarter, FY 2014
	b. Completing the development of a method for calculating default nonpoint emission estimates to enter into the NEI when states do not submit nonpoint data for oil and gas production.	3.2 The EPA will publicly release and solicit comments for the final draft tool for estimating nonpoint emissions from oil and gas production.	1 st Quarter, FY 2014
		3.3 The EPA will incorporate public comments and release the final tool for estimating nonpoint emissions from oil and gas production.	3rd Quarter, FY 2014
		3.4 The EPA will release a final Users Guide for the final tool for estimating nonpoint emissions from oil and gas production.	3 rd Quarter, FY 2014
	c. Developing default calculation guidance for states	3.5 The EPA will release a final draft Users Guide that will also serve as	1 st Quarter, FY 2014

	to use to estimate oil and gas nonpoint source emissions.	calculation guidance for the oil and gas emissions tool.	
		3.6 The EPA will incorporate public comments and release a final Users Guide for the final oil and gas emissions tool.	3 rd Quarter, FY 2014

If you have any questions regarding our response to Recommendation 1, please contact ORD's Carlos Nunez at (919) 541-1156 or Andy Miller at (919) 541-2920. For questions related to our response to Recommendation 2, please contact OAR's Bob Schell at (919) 541-4116. Finally, please contact OAR's Marc Houyoux, at (919) 541-3649 for questions related to our response to Recommendation 3.

cc: Janet McCabe
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