

# Offshore Petroleum and Natural Gas Production

---

## Petroleum and Natural Gas Systems (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 ten 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 equipment, natural gas distribution, onshore petroleum and natural gas gathering and boosting, and onshore natural gas transmission pipeline. **This information 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). The industry segment consists of both platforms that are under the jurisdiction of the U. S. Department of Interior, Bureau of Ocean Energy Management (BOEM) and those that are not.

Please note that on October 1, 2011, the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE), was replaced by the Bureau of Ocean Energy Management (BOEM) and the Bureau of Safety and Environmental Enforcement (BSEE) as part of a major reorganization. The subpart W reporting requirements are based on BOEMRE regulations originally issued under 30 CFR 250.302 through 304. As a result of the BOEMRE reorganization, these regulations have been moved to 30 CFR 550.302 through 304, and are currently managed by BOEM. BOEMRE information can now be found at <http://www.boem.gov>.

This industry segment does not include reporting of emissions from offshore drilling and exploration that is not conducted on production platforms.

## 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 fuel combustion sources following the requirements of 40 CFR 98, subpart C (General Stationary Fuel Combustion Sources). Stationary fuel combustion 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.

---

<sup>1</sup> <http://www.boem.gov/Gulfwide-Offshore-Activity-Data-System-GOADS/>

## When Must Reporting Take Place?

Platforms that are subject to subpart W must submit the report for emissions from offshore petroleum and natural gas production by March 31 of each year, unless the 31<sup>st</sup> is a weekend or federal holiday, in which case the reports are due on the next business day. For example, the report must be submitted on March 31, 2017 for reporting year 2016 (RY2016) emissions. In 2018, however, March 31<sup>st</sup> falls on a Saturday; therefore, the report for RY2017 emissions must be submitted on the following Monday, April 2.

## 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 were under BOEM jurisdiction (BOEMRE prior to October 1, 2011).

- If under BOEM jurisdiction, determine applicability based upon emissions reported in the latest published GOADS emissions study<sup>2</sup>.
- If not under BOEM jurisdiction, determine applicability using the emissions estimation methodologies contained in the latest published GOADS emissions study. To assist non-GOADS reporters in estimating emissions, EPA has developed an on-line Applicability Tool. The tool uses a simple calculator based on a statistical analysis of the 2008 GOADS reported emissions. 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 is available at <https://www3.epa.gov/ghgreporting/help/tool2014/year-select.html>.

If not subject to the rule for a particular year, then owners and operators must reassess the threshold determination each subsequent 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.

## How Must GHG Emissions Be Calculated?

Emissions will be calculated differently depending upon whether or not the platform would be under BOEM (formerly BOEMRE) jurisdiction. Offshore platforms are to follow the data collection and QA/QC requirements in the BOEM regulations that apply to the GOADS program (30 CFR 550, formerly 30 CFR 250).

### BOEM jurisdiction reporters:

- Report emissions from the latest published 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-BOEM jurisdiction 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, you may 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.

---

<sup>2</sup> The GOADS inventories are published on a 3-year cycle (i.e., for years 2005, 2008, 2011, etc...) To download either the inventory data or the summary report for a given study year, navigate to the U.S. Department of the Interior, Bureau of Ocean Energy Management, GOADS website (<https://www.boem.gov/Gulfwide-Offshore-Activity-Data-System-GOADS/>), select the year of interest, and download the desired file(s).

### **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.

### **BOEM and Non-BOEM facilities not covered in the previous BOEM data collection cycle:**

For either first or subsequent year reporting, offshore facilities either within or outside of BOEM jurisdiction that were not covered in the previous BOEM data collection cycle must use the most recent BOEM data collection and emissions estimation methods published by BOEM referenced in 30 CFR 550 to calculate and report emissions.

## **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 as applicable to the source type (in metric tons of each gas per year) individually for all of the emissions source types listed in the most recent BOEM study.

## **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 (<https://www.epa.gov/ghgreporting>) 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 additional assistance, please submit your questions to our GHGRP help desk, using the following webform: <https://www.epa.gov/ghgreporting/forms/contact-us-about-ghg-reporting>.