Notices of Data Availability for Proposed Stays of Requirements in the 2016 New Source Performance Standards: Fact Sheet

Overview of action

- On November 1, 2017, the U.S. Environmental Protection Agency (EPA) signed two Notices
 of Data Availability, commonly called "NODAs," related to the agency's proposed stays of
 certain requirements in the 2016 New Source Performance Standards for the oil and natural
 gas industry. Federal agencies routinely use NODAs to provide the public an opportunity to
 consider and comment on emerging issues related to an ongoing rulemaking or other
 important environmental protection program.
- On June 16, 2017, EPA proposed a two-year stay of the rule's fugitive emissions requirements, well site pneumatic pump standards, and requirements that closed vent systems be certified by a professional engineer while the agency reconsiders issues associated with these requirements. EPA also proposed a three-month stay of the requirements.
- Since proposing the stays, the agency has heard a wide range of questions, concerns and suggestions from stakeholders both about the 2016 rule and the proposed stays. The NODAs provide information on some of those issues and suggestions, and seek comments from the public to assist in developing a final rule
- The information provided in the NODAs falls into two categories: challenges to implementing the requirements in the 2016 rule that would be covered by proposed stays; and the agency's legal authority to issue a stay. EPA also is providing an updated analysis of cost savings, forgone benefits and net benefits of the proposed two-year stay.
- EPA will take public comment on the NODAs for 30 days after they are published in the Federal Register. The agency will consider comments on the NODAs along with comments on the proposed stays before taking final action. While the comment period for the proposed stays closed Aug. 9, 2017, comments on the NODAs may include further comments on information provided in the proposed stays. See the next page of this fact sheet for instructions on submitting comments on the NODAs.
- The NODAs do not affect the agency's plans to reconsider certain aspects of the rule in response to administrative petitions. EPA will issue a separate proposal addressing the reconsideration of the rule for public review and comment at a later date.

Information on Implementation Challenges

- Since issuing the proposed stays in June, EPA has heard comments from stakeholders on challenges in implementing the requirements that the proposed stays would cover. Those are: fugitive emissions requirements at well sites and compressor stations; well site pneumatic pump requirements; and requirements that closed vent systems be certified by a professional engineer.
- The comments included suggestions that EPA amend the 2016 rule to extend or establish phase-in periods in lieu of a stay to ensure the availability of equipment, trained personnel and other infrastructure needed to meet the requirements. Stakeholders also indicated that phase-in periods would provide more regulatory certainty than a stay.
- EPA is seeking public comment on whether to extend existing phase-in periods in the rule instead of staying the requirements for fugitive emissions requirements and well site pneumatic pump requirements, and on the appropriate length of the phase-in periods.
- The agency also is seeking comment on amending the rule to establish a phase-in period for a requirement that closed vent systems be certified by a professional engineer. EPA is seeking comment on the appropriate length of the phase-in periods.
- EPA also is seeking additional information and comment on challenges to implementing the 2016 rule.

Legal Authority

 The NODAs also clarify and seek comment on EPA's legal authorities both to stay certain requirements in the 2016 rule, and to amend the rule to extend or provide phase-in periods. EPA is using the same sections of the Clean Air Act that were used to issue the 2016 rule both to propose the stays and to consider amending the rule as an alternative. The agency also is seeking comment on stakeholder input on EPA's legal authorities to take these actions.

Updated analysis of cost savings, forgone benefits and net cost savings

• Since proposing the two-year stay in June, EPA has updated the economic analysis to reflect a revised time frame, correct a technical error in the initial analysis and to include estimates of the forgone benefits associated with the proposed stay. The updated analysis estimates the present value of the cost savings of the proposed two-year stay at \$270 million using a 7 percent discount rate and \$280 million using a 3 percent discount rate.

- The updated analysis estimates the present value of climate benefits that would not occur as a result of the proposed two-year stay. Those estimates are: \$11 million using a 7 percent discount rate and \$37 million using a 3 percent discount rate, based on estimates for the domestic social cost of methane.
- The updated analysis also estimates the present value of the net benefits at \$250 million a year using a 7 percent discount rate and \$240 million using a 3 percent discount rate.

How to comment on the NODAs

- EPA will take public comment on the NODAs for 30 days after they are published in the Federal Register. There are multiple ways to submit written comments. Please use one of the methods below to ensure your comments are the methods below to ensure EPA receives your comments.
- Each NODA has a separate Docket ID number. Please be sure to label your comments with the correct Docket ID number to ensure that we receive them.
- The Docket ID number for the NODA related to the proposed two-year stay is EPA-HQ-OAR-2010-0505. The Docket ID number for the NODA related to the three-month stay is EPA-HQ-OAR-2017-0346.
- Label your comments with the Docket ID number, then submit them by any one of the following methods:
 - Online go to <u>www.regulations.gov</u> and type one of the Docket ID numbers above in the search box. Scroll down to find the NODA, then click on the "Comment Now!" button at the top right of the page, and follow the instructions for submitting your comments.
 - Email: Send comments by e-mail to a-and-r- Docket@epa.gov, Attention Docket ID No. EPA-HQ-OAR-2010-0505 or EPA-HQ-OAR-2017-0346 (use the number that relates to the NODA on which you are commenting). Please include the docket number in the subject line of your email message.
 - Fax: You may fax your comments to: (202) 566-9744, Attention Docket ID. No. EPA-HQ-OAR-2010-0505 or EPA-HQ-OAR-2017-0346 (use the number that relates to the NODA on which you are commenting).
 - NOTE: Confidential Business Information (CBI), or other information that is subject to disclosure restrictions by law, should never be sent to EPA

electronically. If you have questions about submitting CBI or other information subject to disclosure restrictions by law, please visit http://www2.epa.gov/dockets/commenting-epa-dockets for additional information.

- Mail: You may mail your comments to Environmental Protection Agency, EPA Docket Center (EPA/DC), Mail Code 28221T, Attention Docket ID No. EPA-HQ-OAR-2010-0505 or EPA-HQ-OAR-2017-0346, 1200 Pennsylvania Avenue, NW, Washington, DC 20460
- Hand delivery/courier delivery: Comments may be delivered to EPA Docket Center, Room 3334, EPA WJC West Building, 1301 Constitution Ave., NW, Washington, D.C. 20004, Attention Docket ID No. EPA-HQ-OAR-2010-0505 or EPA-HQ-OAR-2017-0346. Please note that hand/courier deliveries are only accepted during the Docket's normal hours of operation, and special arrangements should be made for deliveries of boxed information.
- For tips on submitting comments, see https://www.epa.gov/dockets/commenting-epa-dockets .

For additional information

• To read the NODAs, and for additional information on the proposed stays, visit <u>https://www.epa.gov/controlling-air-pollution-oil-and-natural-gas-industry/actions-and-notices-about-oil-and-natural-gas#regactions</u>