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September 13, 2024

Ms. Kelly Yonn
Oil & Gas Regulation
California Air Resources Board
1001 I Street, Sacramento, California 95814

Subject: Comments on Potential Amendments to the Oil and Gas Methane Regulation

to Implement U.S. EPA's Emissions Guidelines

Dear Ms. Yonn:

Southern California Gas Company (SoCalGas) appreciates the opportunity to comment on the California Air Resources Board's (CARB) August 15, 2024 workshop on Potential Amendments to the Oil and Gas Methane Regulation to Implement U.S. EPA's Emissions Guidelines. SoCalGas is committed to methane reductions as demonstrated in our annual fugitive emissions (SB 1371, Natural Gas Leak Abatement Program) report to the California Public Utilities Commission, which showed that we significantly exceeded the state's 2025 goal for reducing fugitive methane emissions. The report documented that, in 2021, SoCalGas reduced fugitive methane emissions by 37% – surpassing the state's goal of a 20% reduction by 2025 and nearing the state's goal of a 40% reduction by 2030.<sup>1</sup>

CARB's Oil and Gas Methane Regulation has been an important program for reducing methane emissions<sup>2</sup>. SoCalGas appreciates CARB staff introducing the U.S. EPA's (EPA) new Emissions Guidelines (40 CFR 60 Subpart OOOOc), published in the Federal Register Vol. 89, No. 47 March 8, 2024<sup>3</sup> at the August 15<sup>th</sup> workshop. We understand that CARB must amend, adopt and then submit to EPA the Oil and Gas Methane Regulation as part of California's State Implementation Plan by March 9, 2026. Further, CARB staff is available by request to meet with stakeholders on issues regarding the proposed amendments to the Oil and Gas Methane Regulation. SoCalGas appreciates this offer and anticipates requesting a meeting to discuss several of the potential

<sup>&</sup>lt;sup>1</sup> See <a href="https://newsroom.socalgas.com/press-release/socalgas-surpasses-californias-2025-methane-emissions-reduction-goals-nears-2030-goal">https://newsroom.socalgas.com/press-release/socalgas-surpasses-californias-2025-methane-emissions-reduction-goals-nears-2030-goal</a>

<sup>&</sup>lt;sup>2</sup> See CARB Paper, Leak detection and repair data from California's oil and gas methane regulation show decrease in leaks over two years, available at <u>Science Direct</u>: <u>Journal of Environmental Management</u>—Environmental Challenges, Volume 8, August 2022

<sup>&</sup>lt;sup>3</sup> Available at: https://www.govinfo.gov/content/pkg/FR-2024-03-08/pdf/FR-2024-03-08.pdf

changes (outlined on workshop slides 15-17<sup>4</sup>) in the Oil and Gas Methane Regulation to address EPA's Emissions Guidelines.

The August 15<sup>th</sup> workshop was an introduction to EPA's Emissions Guidelines, which according to EPA<sup>5</sup> training is a "model rule" that allows states to leverage their existing programs and apply a less stringent standard considering remaining useful life and other factors if the state program is as protective as the model rule. SoCalGas stands ready to assist CARB, if possible, to demonstrate to EPA that a total overhaul of our state Oil and Gas Methane Regulation is not necessary.

Since no specific regulatory proposal is presently available, SoCalGas has no specific comments on the contents of the workshop; however, SoCalGas would appreciate that staff consider comments previously submitted during the last amendments to the Oil and Gas Methane Regulation adopted in 2023 and updated here. These include the following: (1) Memorandum of Agreements with air districts should be used to ensure consistent enforcement of §95669(d)(1) across the state; (2) CARB should align §95669.1 with EPA's Super Emitter Program; and, (3) A compliance advisory for §95676 would ensure consistent enforcement across the state.

## (1) Memorandum of Agreements with air districts should be used to ensure consistent enforcement of §95669(d)(1) across the state

Section 95669(d)(1) reads in part:

- (d) All components, including components found on tanks, separators, wells (including idle wells), and pressure vessels not identified in section 95669(c) shall be inspected and repaired within the timeframes specified in this section.
  - (1) By July 1, 2024, owners or operators shall develop facility-specific leak detection and repair plans that encompass all components not identified in section 95669(c). The plans shall be updated annually if any changes are made to the facility or equipment that alters the plan.

The new facility-specific leak detection and repair (LDAR) plans contain detailed data, such as procedures for conducting leak surveys to ensure compliance with EPA Reference Method 21 when §95669(b) already specifies how EPA Reference Method 21 should be used for LDAR measurements. This is just one example of how the LDAR plan is supposed to delineate requirements already contained within the Oil and Gas Methane Regulation. SoCalGas is concerned that local air districts may view the LDAR plan as a separate compliance document to be used for additional enforcement purposes, rather than as an informational document to assist in LDAR component identification, which is the purpose of the plan.

Many local air districts have incorporated the Oil and Gas Methane Regulation as a permit condition in their Title V facility permits. If an air district considers the LDAR plan as a distinct compliance document in a facility permit, and the district finds it deficient, they could issue more

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<sup>&</sup>lt;sup>4</sup> Available at: <u>Potential Amendments to the Oil and Gas Methane Regulation to Implement U.S. EPA's Emissions Guidelines</u> (ca.gov)

<sup>&</sup>lt;sup>5</sup> Available at: <u>PowerPoint Presentation (epa.gov)</u>

than one notice of violation for the same issue: one for the alleged violation of the Oil and Gas Methane Regulation, and another for an alleged violation of a facility permit condition. For instance, under Title V Federal Operating Permit requirements, a deviation from any "applicable rule or requirements" associated with the facility permit is to be self-reported to the local air district. Thus, districts may write notices of violation if an operator deviates in any manner from the LDAR plan. Given these potential concerns, CARB could make it clear in each district Memorandum of Agreement that the LDAR Plan is an informational tool and not an enforcement document.

## (2) CARB Should Align §95669.1 with EPA's Super Emitter Program

SoCalGas collaborated with NASA's Jet Propulsion Laboratory and CalTech on their Methane Source Finder program<sup>6</sup> and we have a long-standing commitment to modernizing our system infrastructure to increase safety and reliability, and to reduce methane emissions.<sup>7</sup> Thus, we recognized the benefit of CARB's involvement with Carbon Mapper, Inc.<sup>8</sup> as discussed at the January 2023, workshop on Potential Amendments to the Oil and Gas Methane Regulation. However, CARB's website now clarifies that the \$100 million allocated in the California State Budget Act of 2022 is for purchasing methane data from a commercial satellite company. Further, CARB's website shows staff is still evaluating the November 2023 bidder responses for the purchase of satellite data.<sup>9</sup>

SoCalGas is concerned about the language in §95669.1(a)(1)(C), "Produces a visualization of the emission plume," as the Oil and Gas Methane Regulation lacks definitions for both "visualization" and "plume." This ambiguity may lead to subjective interpretations depending on who evaluates the satellite data. In its Super Emitter Program, EPA uses quantitative definitions, such as stating that a super-emitter event is one that has a quantified emission rate of 100 kg/hr. of methane or greater. Also, EPA allows 15 days for submittal of an investigation report after being notified by EPA of an event, while CARB only allows 72 hours for the same type of reporting.

Therefore, this whole section of the Oil and Gas Methane Regulation has yet to be implemented, and it remains unclear whether 72 hours is an adequate amount of time for preparing and submitting such a report. Because none of the requirements in §95669.1 have been implemented, SoCalGas believes CARB could amend language to improve clarity, and align the whole of §95669.1 including timelines with the requirements of EPA's Super Emitter program.

<sup>6</sup> See NASA JPL Methane Source Finder, available at https://methane.jpl.nasa.gov/

<sup>&</sup>lt;sup>7</sup> See SoCalGas-Methane Emissions, available at <a href="https://www.socalgas.com/stay-safe/methane-emissions-del">https://www.socalgas.com/stay-safe/methane-emissions-del</a>

<sup>&</sup>lt;sup>8</sup> See Carbon Mapper, Inc., available at <a href="https://carbonmapper.org/">https://carbonmapper.org/</a>

<sup>&</sup>lt;sup>9</sup> See Project Status | California Air Resources Board

## (3) A Compliance Advisory for §95676 would Ensure Consistent Enforcement Across the State

Section §95676 states that "This regulation does not preempt any more stringent requirements imposed by any air district." SoCalGas understands that local air districts have the right to develop regulations per their regulatory authority to reduce criteria air pollutants. However, air districts have misconstrued this as providing them with the authority to utilize similar existing local regulations which are in fact not applicable to facilities covered in the Oil and Gas Methane Regulation. SoCalGas respectfully requests that CARB staff consider publishing a compliance advisory to clarify that local air districts cannot use §95676 to expand the applicability of an existing air district regulation without following the formal public rule making process.

## **Conclusion**

SoCalGas appreciates CARB staff considering our feedback on the August 15, 2024 workshop on Potential Amendments to the Oil and Gas Methane Regulation to Implement EPA's Emissions Guidelines. We look forward to working with CARB on this important topic.

Sincerely,

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