



New State Regulation for Crude Oil and Natural Gas Facilities: Reporting and Registration Requirements

The California Air Resources Board (ARB) recently adopted a new regulation to reduce greenhouse gas emissions from crude oil and natural gas facilities. The regulation, officially known as “Greenhouse Gas Standards for Crude Oil and Natural Gas Facilities”, applies to owners or operators of equipment and components associated with crude oil and natural gas production; crude oil, condensate and produced water separation and storage; natural gas underground storage, gas gathering and boosting stations, processing plants, and transmission compressor stations.

The ARB adopted the regulation under AB-32, California's Global Warming Solutions Act, to reduce greenhouse gas (GHG) emissions from the above-mentioned operations. The regulation establishes emission standards that are achieved by: meeting equipment standards for various equipment and processes; leak detection and repair (LDAR) requirements; and vapor collection system and vapor control requirements.

This regulation applies to all on-shore facilities in Ventura County. However, much equipment and many components are exempt from portions of the regulation. No stationary tanks in Ventura County are required to install vapor recovery or perform flash analysis testing under this regulation. Requirements for circulation tanks for well stimulation treatments are covered separately in this regulation.

Flash testing is not required for new and existing tanks equipped with vapor recovery systems required by APCD Rule 71.1, “Crude Oil Production and Separation”. VCAPCD requires all new tanks to be equipped with vapor recovery systems so the flash testing in Section 95668 will not be required for new tanks. Section 95668(a)(2) contains a number of exemptions from flash testing requirements that apply to tanks that are not equipped with vapor recovery. Therefore, the submittal of flash analysis results to ARB is not required for separator and tank systems in Ventura County.

Additionally, many components that are subject to leak detection and repair (LDAR) requirements of APCD Rule 74.10, “Components at Crude Oil and Natural Gas Production and Processing Facilities” are not subject to the LDAR requirements of this regulation.

Section 95674(b)(2) requires owners or operators of crude oil and natural gas facilities to register equipment at each facility and report information to ARB as specified in Appendix A Table A6. Owners or operators were required to register with ARB and submit this information by January 1, 2018.

The information required by section 95674(b)(2) was due to be submitted to ARB no later than January 1, 2018. However ARB will be using its enforcement discretion to allow this information to be reported no later than July 1, 2018. Updates must be filed with ARB no later than January 1 after any required information has changed.

ARB has provided a Spreadsheet to use for reporting facility and equipment information, and flash analysis testing results. You can access the spreadsheet and other related materials from the ARB website at:

<https://www.arb.ca.gov/cc/oil-gas/oil-gas.htm>

This regulation has been adopted as Article 4, Subarticle 13: Greenhouse Gas Standards for Crude Oil and Natural Gas Facilities, Sections 95665 to 95677, of the California Code of Regulations. A copy of the regulation may be obtained from the ARB website at:

<https://www.arb.ca.gov/regact/2016/oilandgas2016/ogfro.pdf>

This new regulation will be implemented through the Ventura County APCD Permit Engineering and Compliance Divisions. The District intends to enter into a Memorandum of Agreement (MOA) with ARB to allow for implementation and enforcement of this regulation.

If you have any questions regarding crude oil and natural gas facility permits or permitting policies, you may contact Kerby E. Zozula, the APCD's Engineering Division Manager, at (805)645-1421, or by email at kerby@vcapcd.org.

If you have any questions regarding the District's enforcement policies, or enforcement of this regulation at crude oil and natural gas facilities, you may contact Dan Searcy, Compliance Division Manager at (805)645-1494, or by email at dans@vcapcd.org.