
The Methane Rule and Wyoming



Perspectives on the Final Oil & Gas Methane Rule

2024 AAPCA Spring Meeting

April 25, 2024



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Wyoming: An Overview

- ◆ Nationally prominent state for oil and natural gas production:
 - As of December 2023, Wyoming ranks 8th nationally in crude oil production and 9th nationally in natural gas production
 - Oil and natural gas production takes place in 21 of 23 counties in Wyoming
 - The oil and natural gas industry directly employs over 9,000 people in Wyoming
 - There are about 18,000 operating single well sites and compressor stations regulated by Wyoming DEQ's Air Quality Division



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Wyoming: An Overview

- ◆ Maintains a robust state-level New Source Review permitting program for the oil and natural gas industry:
 - Presumptive Best Available Control Technology (P-BACT) Guidance includes stringent requirements that capture VOC and NO_x emissions
 - Numerous 98% control technology requirements in P-BACT that apply to facilities statewide
- ◆ Experience in crafting effective state-level regulations for existing sources in the oil and natural gas industry:
 - Upper Green River Basin permit by rule for existing sources in marginal ozone nonattainment area (became effective in 2015)

WDEQ's Methane Rule Approach

- ◆ Submitted extensive comments on original proposed rule in January 2022 and supplemental proposal in February 2023
- ◆ Actively participated on EPA webinars, AAPCA discussions on final rule that have occurred since December 2023
- ◆ Assembled internal team (approx. 20 current Air Quality Division (AQD) employees) to review final rule and develop implementation strategy in early February 2024
- ◆ Wyoming State Legislature recently approved new positions in AQD in 2024 budget session to assist with Methane Rule compliance/enforcement and with other federal air rules



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OOOOb Implementation

- ◆ Held a series of stakeholder outreach meetings with oil and natural gas industry association members to inform regulated community of rule compliance requirements, deadlines, etc.
- ◆ Industrial operators indicated they are working to ensure facilities, permit conditions are in regulatory compliance with OOOOb by May 7, 2024 effective date
- ◆ Key area of initial permitting and compliance focus: Legally and Practicably Enforceable Limits for Storage Vessel Affected Facilities
 - Have received questions on additional parts of OOOOb, as well



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0000b Implementation

- ◆ WDEQ: Currently undertaking an emergency rulemaking in Wyoming Air Quality Standards and Regulations
 - Will incorporate by reference Federal Register version of 0000b in time for May 7 effective date
 - Will allow sources to interface with WDEQ's compliance and enforcement staff (Wyoming has delegated authority)
 - Emergency rulemaking stays in effect for 120 days and can be renewed once (240 days total)



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OOOOb Implementation

- ◆ WDEQ will initiate formal state-level rulemaking after July 1, 2024 CFR annual codification date
 - State-level rulemaking process in Wyoming takes roughly six months on an extremely accelerated timeline
 - The incorporation by reference of the CFR version of OOOOb should be state-effective by the time the emergency rulemaking expires (January 2025)



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OOOOC Implementation

- ◆ Clock is already ticking (CAA Section 111(d) State Plans due for OOOOC in March 2026)
- ◆ WDEQ's planned pathway is to develop state-level regulation that incorporates OOOOC and provides flexibilities for Remaining Useful Life and Other Factors (RULOF) determinations
- ◆ Unprecedented scope of facilities for State Plan development for Wyoming DEQ-AQD
 - Estimated 27,000 affected facilities in Wyoming subject to OOOOC
 - Possibility that numerous facilities could be candidates for RULOF demonstrations



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OOOOC Challenges Ahead

- ◆ Wyoming's state-level rulemaking process spans a lengthy timeframe (adding at least an extra six months) and it is unclear how the public comment and response process will impact undertaking RULOF determinations
- ◆ WDEQ anticipates significant outreach will be required to many small operators during the state planning process
- ◆ WDEQ is unsure how many RULOF determinations it will have to consider, but the number could be significant
- ◆ How will WDEQ's RULOF determinations be acted upon by EPA in the final State Plan approval/disapproval process?
- ◆ Recordkeeping and reporting elements of State Plan and potential modifications to WDEQ's existing data system



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OOOOC Challenges Ahead

- ◆ Uncertainties regarding whether existing state regulations that meet or exceed stringency of the presumptive standards in EG can be utilized in State Plans
 - Regulate methane emissions as co-pollutant with VOCs
- ◆ Will there be any implementation component (or enforcement piece) to the Super Emitter Response Program that state regulatory agency compliance programs have to take ownership over?
 - Super Emitter Response Program included in March 5, 2024 EPA presentation to AAPCA/NAACA on OOOOb but was not included in March 7, 2024 EPA presentation to AAPCA/NAACA on OOOOc



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Overall Concerns

- ◆ Super Emitter Response Program poses a series of major concerns:
 - How will it impact and interface with the Waste Emissions Charge Rule?
 - Concerns about lack of standardization in SERP monitoring
 - Concerns about loss of primacy for state-level monitoring program
- ◆ Have heard repeatedly from small operators that the costs to comply for existing facilities will be too high and they will have to shut down as a result
 - Potentially significant economic impact to Wyoming
 - Well closure plan workload for State



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Overall Concerns

- ◆ General burden for State Plan development is immense given the timeframe and the other coinciding major federal air regulations
 - Clean Power Plan 2.0
 - MATS Rule
 - 2024 PM_{2.5} NAAQS Implementation
 - Other forthcoming air quality rules
 - Existing NAAQS and Regional Haze workload
 - State-level air quality regulatory work and public outreach
- ◆ WDEQ currently working as swiftly as possible to ensure initial implementation of OOOOb into state program