



August 25, 2023

Submitted via <http://www.regulations.gov>

Administrator Michael S. Regan
U.S. Environmental Protection Agency
EPA Docket Center
Docket ID No. EPA-HQ-OAR-2022-0879
Mail Code 28221T
1200 Pennsylvania Avenue NW
Washington, DC 20460

Re: National Emission Standards for Hazardous Air Pollutants: Reciprocating Internal Combustion Engines and New Source Performance Standards: Internal Combustion Engines; Electronic Reporting, Docket ID No. EPA-HQ-OAR-2022-0879

Dear Administrator Regan:

The Petroleum Alliance of Oklahoma (The Alliance) appreciates the opportunity to submit comments to the Environmental Protection Agency (EPA) regarding its proposed rule - National Emission Standards for Hazardous Air Pollutants: Reciprocating Internal Combustion Engines and New Source Performance Standards: Internal Combustion Engines; Electronic Reporting, Docket ID No. EPA-HQ-OAR-2022-0879 (hereafter referred to as the Proposed Rule).

The Alliance represents more than 1,400 individuals and member companies and their tens of thousands of employees in the upstream, midstream, and downstream sectors and ventures ranging from small, family-owned businesses to large, publicly traded corporations. Our members produce, transport, process and refine the bulk of Oklahoma's crude oil and natural gas. Our members are committed to extracting, producing, transporting, and refining crude oil and natural gas in a safe and environmentally sound manner. Many of our members have engines that are subject to this Proposed Rule.

We support clarifications and corrections to 40 CFR part 60 - Subpart IIII (NSPS Subpart IIII), 40 CFR Part 60 - Subpart JJJJ (NSPS Subpart JJJJ), and 40 CFR part 63 - Subpart ZZZZ (NESHAP Subpart ZZZZ) that improve the quality and consistency of the data collected and reported. However, The Alliance does not support the proposed electronic reporting to EPA in lieu of reporting directly to the Oklahoma Department of Environmental Quality (ODEQ) – the state agency with delegated primacy from EPA for these programs. The Alliance submits the following comments and requests the EPA withdraw the rule, conduct further analysis of the impacts on smaller oil and gas companies, and allow oil and gas operators to continue to report to ODEQ.

I. Issue

EPA proposes that owners and operators of stationary engines subject to NSPS Subparts IIII and JJJJ or NESHAP subpart ZZZZ submit electronic copies of certain initial notifications of compliance, performance test reports, Notification of Compliance Status (NOCS), and annual and semiannual compliance reports to EPA through its Central Data Exchange (CDX) using the Compliance and Emissions Data Reporting Interface (CEDRI) (hereafter referred to as the Reporting Provisions).¹

II. EPA failed to adequately evaluate the cost impacts to smaller oil and gas businesses regarding its proposed Reporting Provisions.

EPA states it conducted a small business screening analysis and determined that the Proposed Rule **would not have a significant economic impact on a substantial number of small entities** under the Regulatory Flexibility Act.² (emphasis added) EPA’s economic impact and small business analysis states that the number of affected engines is estimated to be 19,835 for NSPS Subpart JJJJ amendments, 915,781 for NESHAP Subpart ZZZZ amendments, and 207,362 for NSPS Subpart IIII amendments.³ EPA estimated total costs of \$18.0 million in 2024 and estimated cost savings of \$38.0 million and \$38.2 million in 2025 and 2026, respectively.⁴ However, EPA states it did not estimate the potential overlap between the three amendments on reporters but recognizes there may be, and EPA states there is currently insufficient data available to characterize the distribution of affected sources by industry, facility, and company.⁵ Then EPA states it “...**expect[s] that this proposed action will affect small entities**, based on analysis of the industries known to contain affected sources.”⁶ (emphasis added) EPA’s Proposed Rule provides conflicting information on the impacts to the regulated community, especially smaller businesses. The Alliance’s members may have hundreds, if not thousands, of these regulated engines, and the electronic reporting may be particularly burdensome for operators, especially smaller operators.

- We request EPA withdraw and re-evaluate the impacts to all companies, especially small oil and gas operators.

III. EPA’s Proposed Rule fails to explain why it is revising the Reporting Provisions that bypass the ODEQ’s delegated authority to manage NSPS Subpart IIII, NSPS Subpart JJJJ, and NESHAP Subpart ZZZZ requiring operators to report directly to EPA.

ODEQ obtained delegated authority from EPA for NSPS Subpart IIII and JJJJ in 2012 and NESHAP Subpart ZZZZ in 2005. Since then, ODEQ has successfully implemented these programs (including the Reporting Provisions). EPA’s Proposed Rule fails to explain why

¹ 88 Fed. Reg., June 26, 2023.

² Id.

³ U.S. EPA/OAQPS/HEID/AEG, Memorandum, Economic Impact and Small Business Analysis for the Proposed National Emission Standards for Hazardous Air Pollutants: Reciprocating Internal Combustion Engines and New Source Performance Standards: Internal Combustion Engines; Electronic Reporting Amendments, February 10, 2023.

⁴ Id.

⁵ Id.

⁶ Id.



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ODEQ's Reporting Provisions are inadequate or has failed and now is proposing that the regulated community report directly to EPA instead of ODEQ.

Also, EPA states that "This action does not have federalism implications. It will not have substantial direct effects on the states, on the **relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government.**"⁷ (emphasis added). Yet, EPA provides no information that any cooperative communications or coordination on the Proposed Rule was conducted with ODEQ. These types of communications and coordination efforts may have been beneficial and informed EPA's impact analysis on oil and gas operators, especially smaller oil and gas businesses. In addition, EPA fails to explain why it cannot obtain the Reporting Provisions directly from ODEQ.

- We request EPA withdraw and re-evaluate the Proposed Rule's requirement changing operator reporting from ODEQ to EPA.

IV. EPA's proposed compliance time frame is inadequate.

EPA proposes to allow 180 days from the date of the final rule for operators to comply with the Proposed Rule, or 1 year from date that the report template is made available on CEDRI, whichever is later, for compliance with the proposed electronic Reporting Provisions. If EPA moves forward with this Proposed Rule without addressing the concerns described above, we do not think the proposed 180-day compliance time frame is adequate. It will take smaller oil and gas operators much longer to budget, plan, train employees and implement compatible electronic formats to upload to CEDRI.

- We request EPA allow at least 1 year from the date of the final rule for operators to comply with the Reporting Provisions or 1.5 years from the date that the report template is made available on CEDRI, whichever is later.

V. Conclusion

The Alliance appreciates this opportunity to provide comments on this Proposed Rule. We request EPA withdraw the rule and remove the Reporting Provisions that would require operators to report directly to EPA instead of ODEQ. If you have questions regarding these comments, please contact me at 405-601-2124.

Thank you for your consideration of these comments.

Respectfully,

Angie Burckhalter
Sr. V.P. of Regulatory & Environmental Affairs

⁷ 88 Fed. Reg., p. 41369, June 26, 2023.