



September 14, 2023

Submitted via CPRGOK@deq.ok.gov

Kendal Stegmann, Director
Air Quality Division
Oklahoma Department of Environmental Quality
Attn: CPRG
P.O. Box 1677
Oklahoma City, OK 73101-1677

Re: Comments on Oklahoma's Climate Pollution Reduction Grant

Dear Ms. Stegmann:

The Petroleum Alliance of Oklahoma (The Alliance) appreciates the opportunity to provide comments on the Oklahoma Department of Environmental Quality's (ODEQ's) Climate Pollution Reduction Grant Plan (CPRG Plan).

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, and they have and will continue to deploy technologies that result in emission reductions (including greenhouse gases) through innovative solutions and breakthrough technologies while meeting the energy demands of today and the future.

We offer the following comments and recommendations.

Comments on the CPRG Plan

1. General

- i.** It is unclear how the Plan will support ODEQ's and the oil and gas industry's efforts to better manage EPA's forthcoming New Source Performance Standards (NSPS) OOOOb/c rules, the Greenhouse Gas Reporting Rule (GHGRR) - Subpart W revisions, and the Waste Emission Charge (WEC) to efficiently and cost effectively reduce emissions. These proposed rules will be burdensome and costly on all operators, especially smaller operators of existing facilities. We request ODEQ prioritize studies and projects that would help the state and oil and gas operators prepare for these forthcoming rules, and we welcome the opportunity to collaborate with ODEQ on such efforts.
- ii.** It is unclear if or how Oklahoma's Emission Reduction Technology Rebate Program could dovetail into the CPRG planning phase or the implementation phase. We request ODEQ



consider how both efforts could be coordinated to maximize the reduction of emissions efficiently and effectively in the oil and gas industry.

- iii. It is unclear if ODEQ plans to reach out to neighboring states to determine if there are any collaborative efforts that could be conducted or to ensure consistency in similarly related projects.
- iv. We recommend ODEQ collaborate with the Oklahoma Corporation Commission to obtain onsite, emission data from equipment and wellheads located on unplugged orphan wells (where no viable operator exists) to better characterize emissions from those types of wells instead of using EPA's data that may not be representative of Oklahoma's orphan wells. In addition, it is unclear how ODEQ's CPRG Plan will obtain empirical emissions data from existing oil and gas equipment that will more accurately reflect methane emissions. This Oklahoma specific information may support ODEQ's efforts in developing defensible, reasonable and appropriate requirements for its future NSPS OOOOo program, support revisions to EPA's outdated and inaccurate equipment emission factors or calculation methodologies that overestimate emissions from sources regulated under NSPS OOOOa/b and the Greenhouse Gas Inventory (GHGI) for the oil and gas sector. Again, we welcome the opportunity to collaborate with ODEQ on such efforts.

2. Specific Comments

- i. **Reference to Workplan Summary, page 2** – The CPRG Plan references Oklahoma's "pollution management plan." We are unaware of such a plan. Please clarify what this is and where it can be found.
- ii. **Reference to Deliverables Development Process, page 3** – ODEQ provides a milestone schedule for the Priority Action Plan (PAP), the Comprehensive Action Plan (CAP), and the Status Report. We assume there will be an opportunity for stakeholder review and comment before the documents are submitted to EPA. If this is not the case, we request ODEQ incorporate a stakeholder review/comment period into the schedule.
- iii. **Reference to Key Deliverables #1 Priority Action Plan, page 3 (and page 7)** – Under this section (and on page 7), there is an acronym, PCAP, but it is not defined. For clarity, we request ODEQ define or revise this acronym.
- iv. **Reference to Key Deliverables #1 Priority Action Plan, page 3** – ODEQ states it will develop a preliminary GHG inventory. It would be beneficial to the oil and gas industry if ODEQ provided more information on how it will maximize the use existing reported data (e.g., EPA's GHGI, GHGRR and the New Source Performance Standards (NSPS OOOOa) to reduce the impacts on oil and gas operators and provide additional information on what information will be needed from oil and gas operators for this effort. Additionally, EPA is proposing revisions to Subpart W that will allow states to obtain comprehensive state-specific emissions information.
- v. **Reference to Key Deliverables #1 Priority Action Plan, page 3** – ODEQ states it will assist the top five (5) industrial sectors in evaluating potential pollution reductions for inclusion in the CAP. It is unclear if ODEQ has already identified these industrial sectors and will ODEQ further break this down into emission sources that may cross industrial sectors. We request ODEQ provide more clarity on this issue.



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- vi. **Methane Detection and Reduction, page 4 and 5** – ODEQ discusses the use of optical gas imaging (OGI) in aerial surveys. OGI is the standard to identify emission leaks and combining it with aerial surveying, reduces survey time; however, accurate quantification of those leaks using aerial OGI is still developing. Another monitoring technology may be required since quantification of the methane emissions is necessary to develop accurate emission factors. We welcome the opportunity to collaborate with ODEQ on this effort.
- vii. **Renewable Energy Analysis, page 5** – ODEQ plans to review the costs and benefits of electrification of natural gas compression in various regions in Oklahoma to relieve demand on electrical transmission lines. More electrification may complicate the reliability of the existing grid system in peak demand and emergency situations (e.g., Winter Storm Uri). Additionally, electrification of gas compression will increase demand on the electric transmission system contrary to the statement on page 5. ODEQ must factor this into its calculations.

3. Implementation Grant

ODEQ's presentation referenced EPA's CPRG Implementation Phase. EPA's website states that these grants are for the "...expeditious implementation of investment-ready policies, programs, and projects to reduce greenhouse gas emissions in the near term." In the oil and gas industry, there are projects that can be immediately implemented. ODEQ should apply for and consider:

- i. Prioritizing implementation funding to oil and gas operators for projects that will provide the greatest emission reductions at the lowest costs. This may include, but not limited to retrofitting, upgrading or replacing natural gas emitting equipment, funding operators to purchase available equipment to find and fix leaks, installing onsite monitoring equipment and/or systems, installing alarms/alerts to notify oil and gas operators of equipment malfunctions and emission leaks, and conducting facility design reviews and/or the reconfiguration of a facilities to reduce emissions. This will maximize the use of taxpayer funds and emission reductions for Oklahoma.
- ii. Prioritizing implementation funding to conduct education/outreach/training for the oil and gas industry, especially smaller oil and gas operators. This may include, but is not limited to, training on how to comply with EPA's forthcoming rules e.g., NSPS OOOOb/c, Subpart W and Waste Emission Charge, the best practices and/or innovative technologies to use to reduce/eliminate emissions at oil and gas sites, cost effective electronic emission data management systems, and how to calculate methane emissions in accordance with EPA's forthcoming rules. The Alliance welcomes any opportunity to work with ODEQ to host education/outreach/training for oil and gas operators at its office in Oklahoma City.

The Alliance appreciates the opportunity to comment on ODEQ's CPRG Plan. If you have questions, please contact me at 405-601-2124.

Sincerely,

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