

GHG Reporting Finalized for Petroleum and Natural Gas Industries

The U.S. Environmental Protection Agency (EPA) finalized greenhouse gas (GHG) reporting requirements for the petroleum and natural gas industries as part of the mandatory reporting program. The rule amends 40 CFR 98 by adding Subpart W which requires reporting of GHGs from petroleum and natural gas facilities emitting 25,000 metric tons or more of CO₂ equivalents (MT CO₂e).

Subpart W requires monitoring and reporting of GHG emissions from the following industry segments:

- ❖ Offshore petroleum and natural gas production;
- ❖ Onshore petroleum and natural gas production facilities (including some portable equipment used at wellheads, and excluding gathering lines and boosting stations);
- ❖ Natural gas processing facilities (excluding gathering lines and boosting stations);
- ❖ Natural gas transmission compression facilities;
- ❖ Underground natural gas storage facilities;
- ❖ Liquefied natural gas (LNG) storage facilities;
- ❖ LNG import and export facilities; and
- ❖ Certain natural gas distribution facilities (including distribution pipelines and metering and regulating equipment at city gate stations, but excluding customer meters).

For purposes of Subpart W only, EPA decided to define an onshore petroleum and natural gas production “facility” as comprising all production wells under common ownership and located within a single hydrocarbon basin.

Beginning in 2011, petroleum and natural gas facilities that emit 25,000 MT CO₂e or more per year are required to monitor and report all GHG emissions to EPA. Data collection for petroleum and natural gas sources are to begin January 1, 2011, with first annual reports due to EPA March 31, 2012. EPA estimates that the rule will cover 85% of the GHG emissions from the domestic petroleum and natural gas industry and expects approximately 2800 facilities to report.

EPA’s GHG reporting program, launched in October 2009, requires the reporting of GHG emissions data from large emission sources and fuel suppliers across a range of industry sectors. Eventually, the data is expected to be used to help develop programs to reduce GHG emissions.

This rule will appear in an upcoming edition of the Federal Register and will be effective 30 days after publication or on December 31, 2010, whichever is earlier. For more information on this rulemaking see <http://www.epa.gov/climatechange/emissions/subpart/w.html>.