

Santa Barbara County Air Pollution Control District Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities Fact Sheet

What is the new CARB Regulation? This regulation is one of the State's Climate Change initiatives aimed at reducing greenhouse gas emissions. This regulation focuses on reducing methane gas emissions from oil and gas operations. The final regulation order, along with background information, may be found on CARB's webpage at: https://www.arb.ca.gov/regact/2016/oilandgas2016/ogfro.pdf and https://www.arb.ca.gov/regact/2016/oilandgas2016/ogfro.pdf and https://www.arb.ca.gov/cc/oil-gas/oil-gas.htm.

How will facilities in Santa Barbara County be impacted? This regulation applies to a wide range of oil and gas operations. The regulation does not apply to platforms on the Outer Continental Shelf. District staff worked closely with CARB to reduce overlapping requirements of their regulation and existing local rules already implemented by the oil and gas industry in the County. The majority of facilities will have minor impacts (e.g., additional components in methane service that were previously exempt from LDAR will now require monitoring). Natural gas underground storage facilities will be most impacted.

Which agency is implementing and enforcing this new regulation? The District will be entering into a Memorandum of Agreement with CARB to implement and enforce the State regulation. With a few exceptions, the District will be the primary agency involved. CARB will retain its role to implement and enforce the State regulation at their discretion.

Will permits be required? Oil and gas permits already list the affected equipment, so no immediate permitting action is required. At time of permit renewal (or significant operating permit issuance), the District will add permit terms that ensure compliance with the regulation. Permits will only be required if a facility needs to make physical modifications or implement a new emissions control strategy in order to comply with the State regulation.

What are the associated fees going to be? No new fees are being proposed by the District. Facilities that need permits will be assessed fees using the existing provisions of Rule 210. District costs associated with implementing and enforcing the regulation for natural gas underground storage facilities, and potentially some facilities subject to the CARB regulation LDAR requirements, will be assessed on a cost reimbursement basis per Rule 210.

What should my company be doing right now to prepare for this new regulation? Existing processes should be assessed for regulation applicability. Are all Separator and Tank Systems (including upstream gauge tanks) connected to a Vapor Collection System? Are there any Reciprocating and/or Centrifugal Natural Gas Compressors? Does the facility have Natural Gas Powered Pneumatic Devices or Pumps? Is the facility utilizing any of the Rule 331 Section B exemptions? Updates to existing I&M Plans to retract prior component exemption requests will make these components subject to Rule 331 (and not the CARB requirements). I&M Plan revisions are due by January 1, 2018. Also, complete a GHG Compliance Status Checklist form for each facility (see https://www.ourair.org/oil-and-gas/).

What are the compliance deadlines? The first deadlines start on January 1, 2018 with additional deadlines for January 1, 2019 and beyond.

What if I have more questions? Read our <u>FAQ</u>, contact the District's Engineering Division, and also see our Oil & Gas webpage at https://www.ourair.org/oil-and-gas/.

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