6560-50-P

**ENVIRONMENTAL PROTECTION AGENCY**

**40 CFR Part 63**

**[EPA-HQ-OAR-2004-0238; FRL- ]**

**[RIN 2060-AM16]**

**National Emission Standards for Hazardous Air Pollutants for Source Categories From Oil and Natural Gas Production Facilities**

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION**: Final Rule.

**SUMMARY**: This action promulgates national emission standards for hazardous air pollutants to regulate hazardous air pollutant emissions from oil and natural gas production facilities that are area sources. The final national emission standards for hazardous air pollutants for major sources was promulgated on June 17, 1999, but final action with respect to area sources was deferred. Oil and natural gas production is identified in the Urban Air Toxics Strategy as an area source category for regulation under section 112(c)(3) of the Clean Air Act because of benzene emissions from triethylene glycol dehydration units located at such facilities. This final rule also amends a general provision in the regulation to allow the use of an ASTM standard as an alternative test method to EPA Method 18 in the National Emission Standards

for Hazardous Air Pollutants From Oil and Natural Gas Production Facilities.

**DATES**: This final rule is effective on [INSERT DATE OF PUBLICATION]. The incorporation by reference of certain publications listed in these rules is approved by the Director of the Federal Register as of [INSERT DATE OF PUBLICATION].

**ADDRESSES**: EPA has established a docket for this action under Docket ID No. EPA-HQ-OAR-2004-0238. All documents in the docket are listed either on the www.regulations.gov web site or in the legacy docket, A-94-04. Although listed in the index, some information is not publicly available, e.g., confidential business information or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, is not placed on the Internet and will be publicly available only in hard copy form. Publicly available docket materials are available either electronically through www.regulations.gov or in hard copy at the Air and Radiation Docket, EPA West, Room B-102, 1301 Constitution Ave., NW, Washington, DC. The Public Reading Room is open from 8:30 a.m. to 4:30 p.m., Monday through Friday, excluding legal holidays. The telephone number for the

Public Reading Room is (202) 566-1744, and the telephone number for the Air and Radiation Docket is (202) 566-1742. NOTE: The EPA Docket Center suffered damage due to flooding during the last week of June 2006. The Docket Center is continuing to operate. However, during the cleanup, there will be temporary changes to Docket Center telephone numbers, addresses, and hours of operation for people who wish to make hand deliveries or visit the Public Reading Room to view documents. Consult EPA's Federal Register notice at 71 FR 38147 (July 5, 2006) or the EPA website at www.epa.gov/epahome/dockets.htm for current information on docket operations, locations, and telephone numbers. The Docket Center's mailing address for U.S. mail and the procedure for submitting comments to www.regulations.gov are not affected by the flooding and will remain the same.

**FOR FURTHER INFORMATION CONTACT:** Greg Nizich, Office of Air Quality Planning and Standards, Sector Policies and Programs Division, Coatings and Chemicals Group (E143-01), Environmental Protection Agency, Research Triangle Park, NC 27711; telephone number: (919) 541-3078; fax number: (919) 541-0246; e-mail address: nizich.greg@epa.gov.

**SUPPLEMENTARY INFORMATION:**

Regulated Entities. Entities potentially affected by this final rule include, but are not limited to, the following:

| Category | NAICS Code* | Examples of Regulated Entities |
|---|---|---|
| Industry | 211111, 211112 | Condensate tank batteries, glycol dehydration units, and natural gas processing plants. |

*North American Industry Classification System.

This table is not intended to be exhaustive, but rather provides a guide for readers regarding entities likely to be regulated by this action. To determine whether your facility would be regulated by this action, you should examine the applicability criteria in 40 CFR part 63, subpart HH, National Emissions Standards for Hazardous Air Pollutants From Oil and Natural Gas Production Facilities. If you have any questions regarding the applicability of this action to a particular entity, consult the person listed in the preceding FOR FURTHER INFORMATION CONTACT section.

Worldwide Web (WWW). In addition to being available in the docket, an electronic copy of this final rule is also available on the Worldwide Web (WWW) through the Technology Transfer Network (TTN). Following the Administrator's signature, a copy of this final rule will be posted on the TTN's policy and guidance page for newly proposed or promulgated rules at http://www.epa.gov/ttn/oarpg/. The

TTN provides information and technology exchange in various areas of air pollution control.

Judicial Review. Under section 307(b)(1) of the Clean Air Act (CAA), judicial review of this final rule is available by filing a petition for review in the United States Court of Appeals for the District of Columbia Circuit by [INSERT DATE 60 DAYS FROM DATE OF PUBLICATION]. Only those objections to this final rule that were raised with reasonable specificity during the period for public comment may be raised during judicial review. Under section 307(b)(2) of the CAA, the requirements that are the subject of this final rule may not be challenged later in civil or criminal proceedings brought by EPA to enforce these requirements.

Section 307(d)(7)(B) of the CAA further provides a mechanism for us to convene a proceeding for reconsideration, "[i]f the person raising an objection can demonstrate to the EPA that it was impracticable to raise such objection within [the period for public comment] or if the grounds for such objection arose after the period for public comment (but within the time specified for judicial review) and if such objection is of central relevance to the outcome of the rule." Any person seeking to make such a demonstration to us should submit a Petition for Reconsideration to the Office of the Administrator, U.S.

EPA, Room 3000, Ariel Rios Building, 1200 Pennsylvania Ave., NW, Washington, DC 20460, with a copy to both the person(s) listed in the preceding FOR FURTHER INFORMATION CONTACT section, and the Associate General Counsel for the Air and Radiation Law Office, Office of General Counsel (Mail Code 2344A), U.S. EPA, 1200 Pennsylvania Ave., NW, Washington, DC 20460.

Organization of this Document. The information presented in this preamble is organized as follows:

## I. Background Information

### A. What is the statutory authority for this final rule?

Sections 112(c)(3) and 112(k)(3)(B) of the CAA instruct us to identify not less than 30 hazardous air pollutants (HAP) which, as a result of emissions from area sources,[1] present the greatest threat to public health in the largest number of urban areas, and to list sufficient source categories or subcategories to ensure that 90 percent of the emissions of the listed HAP (area source HAP) are subject to regulation. CAA Section 112(c)(3) requires us to regulate these listed area source categories under CAA section 112(d). Section 112(d)(5) of the CAA provides us with the discretion to set standards for area sources according to generally available control

[1] Under section 112(a) of the CAA, an area source is a stationary source that is not a major source. A major source, as defined under section 112(a) of the CAA, is a stationary source or a group of stationary sources located within a contiguous area and under common control that emits or has the potential to emit considering controls, in the aggregate, 10 tons per year or more of any HAP or 25 tons per year or more of any combination of HAP.

technologies (GACT) or management practices in lieu of maximum achievable control technologies (MACT). Unlike MACT, there is no prescription in CAA section 112(d)(5) that standards for existing sources must, at a minimum, be set at the level of emission reduction achieved by the best performing 12 percent of existing sources, or that standards for new sources be set at the level of emission reduction achieved in practice by the best controlled similar source. The legislative history suggests that standards under CAA section 112(d)(5) should "[reflect] application of generally available control technology – that is, methods, practices, and techniques which are commercially available and appropriate for application by the sources in the category considering economic impacts and the technical capabilities of the firms to operate and maintain the emissions control systems." SEN. REP. NO. 101-228, at 171 (1989). Thus, by contrast to MACT, CAA section 112(d)(5) allows us to consider various factors in determining the appropriate standard for a given area source category.

B. What criteria are used in the development of area source standards?

We are issuing standards for this area source category under CAA section 112(d)(5), in lieu of a MACT standard.

There are factors relevant to this area source category that warrant our consideration, and we can properly assess those factors under section 112(d)(5) of the CAA. For example, the locations of oil and natural gas production sources are dictated by the locations of the relevant natural resources rather than a need to serve a particular population center. In addition, these sources do not typically require on-site operators and are usually not manned by large staff, if manned at all. Given the unique nature of these sources, many of these sources are located in remote areas. We believe that a CAA section 112(d)(5) standard is appropriate because it would allow us to adequately address these and other relevant factors, including costs, in promulgating these national emission standards for hazardous air pollutants (NESHAP).

C. How was this final rule developed?

We initially proposed NESHAP for the Oil and Natural Gas Production source category on February 6, 1998 (63 FR 6288) that addressed both major and area source oil and natural gas production facilities. CAA Section 112(c)(3) authorizes us to list for regulation an area source category "which the Administrator finds present a threat of adverse effects to human health or the environment… warranting regulation." In the 1998 proposed NESHAP, we

proposed to regulate this area source category pursuant to CAA section 112(c)(3) due to the risks from exposure to benzene emissions from triethylene glycol (TEG) dehydration units at these area sources. Public comments were solicited at the time of the proposal. We received 29 comment letters on the proposed area source standards. On June 17, 1999, we promulgated the NESHAP for major sources of oil and natural gas production (64 FR 32610) but did not finalize either the 1998 proposed listing of this area source category for regulation or the proposed area source standards. Instead, on July 19, 1999, we published the Urban Air Toxics Strategy (Strategy) (64 FR 38706, July 19, 1999). The Strategy included benzene as one of the 30 listed area source HAP under CAA section 112(k)(3)(B)(i). The Strategy also listed oil and natural gas production for regulation under CAA section 112(k)(3)(B)(ii) because TEG dehydration units at oil and natural gas production facilities contributed approximately 47 percent of the national urban benzene emissions from area sources. On July 8, 2005 (70 FR 39443), we published a supplemental proposal to the 1998 proposed area source standards. The 60-day comment period ended on September 6, 2005, and we received 18 comment letters on the supplemental proposal. Today's final rule reflects our consideration of all of the

comments received on both the 1998 and 2005 proposed standards for area sources of oil and natural gas production.

## II. Summary of This Final Rule

### A. What source categories are affected by this final rule?

This final rule affects area source oil and natural gas production facilities. An oil and natural gas production facility processes, upgrades, or stores (1) hydrocarbon liquids (with the exception of those facilities that exclusively handle black oil) to the point of custody transfer and (2) natural gas from the well up to and including the natural gas processing plant.

### B. What is the affected source?

In this final rule, the affected source is defined as each TEG dehydration unit located at an area source oil and natural gas production facility. Other types of dehydration units or other emission points (e.g., equipment leaks) at area source oil and natural gas production facilities are not a part of the affected source.

### C. What pollutants are emitted and controlled?

The primary HAP associated with oil and natural gas production facilities include benzene, toluene, ethylbenzene, and mixed xylenes and n-hexane. Only benzene is listed under CAA section 112(k)(3)(B)(i) as one of the

30 area source HAP. Benzene is classified as a known human carcinogen based on convincing human evidence (such as observed increases in the incidence of leukemia in exposed workers), as well as supporting evidence from animal studies. In addition, short-term inhalation of high benzene levels may cause nervous system effects such as drowsiness, dizziness, headaches, and unconsciousness in humans. At even higher concentrations of benzene, exposure may cause death, while lower concentrations may irritate the skin, eyes, and upper respiratory tract. Long-term inhalation exposure to benzene may cause various disorders of the blood and toxicity to the immune system. Reproductive disorders in women, as well as developmental effects in animals, have also been reported for benzene exposure.

Benzene emissions from TEG dehydration units at oil and natural gas production facilities contributed approximately 47 percent of the nationwide urban area source benzene emissions. Accordingly, this final rule regulates benzene emissions from TEG dehydration units at area source oil and natural gas production facilities.

D. Does this final rule apply to me?

You are subject to emissions reduction requirements in this final rule if you own or operate a TEG dehydration

unit with an actual annual average natural gas flow rate equal to or greater than 85 thousand standard cubic meters per day (thousand $m^3$/day) (3 million standard cubic feet per day (MMSCF/D)), and with benzene emissions equal to or greater than 0.90 Megagrams per year (Mg/yr) (1.0 ton per year (tpy)).

E. What are the emission limitations and work practice standards?

We created three subcategories of sources in this final rule. We created a subcategory of TEG dehydration units with either an annual average natural gas flowrate less than 85 thousand $m^3$/day (3 MMSCF/D) or benzene emissions less than 0.90 Mg/yr (1.0 tpy). As explained in the supplemental proposed rule, we determined that GACT is no control for these sources. We did not receive any comments on this determination.

As for those TEG dehydration units with an annual average natural gas flow rate equal to or greater than 85 thousand $m^3$/day (3 MMSCF/D) and benzene emissions equal to or greater than 0.90 Mg/yr (1.0 tpy), we subcategorized these units based on their locations with regard to areas of higher population densities. In evaluating population density, we started with the U.S. Census Bureau terms of “urbanized area” and “urban cluster.” Upon evaluating the

characteristics of this area source category, we define areas of higher population densities to be urbanized areas (UA)[2], urban clusters (UC)[3] that contain 10,000 people or more,[4] and the area located two miles[5] or less from each UA boundary. For ease of reference, this final rule refers to these areas as "UA plus offset and UC." As mentioned above, UA and UC are terms used by the United States Census Bureau to identify densely settled areas. Among other Census Bureau criteria, an UA has a population of at least 50,000 people, and an UC has a population of at least 2,500, but less than 50,000 people.

For those area source TEG dehydration units with natural gas throughput and benzene emission rates above the cutoff levels described above that are located within the UA plus offset and UC boundary, we are requiring, pursuant to CAA section 112(d)(5), that each such unit be connected, through a closed vent system, to one or more emission control devices. The control devices must: (1) reduce HAP

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[2] Urbanized area (UA) refers to Census 2000 Urbanized Area, which is defined in the Urban Area Criteria for Census 2000, 67 FR 11663, 11667 (March 15, 2002). Essentially, an UA consists of densely settled territory with a population of at least 50,000 people.

[3] Urban cluster (UC) refers to Census 2000 Urban Cluster, which is defined in the Urban Area Criteria for Census 2000, 67 FR 11667. Essentially, an UC consists of densely settled territory with at least 2,500 people, but fewer than 50,000 people.

[4] This final rule does not cover all UC areas, but only those UC areas that contain 10,000 people or more, which are used to construct Census 2000 core-based statistical areas (65 FR 82233).

[5] We determined the 2-mile offset distance by reviewing maps of different UA areas and measuring the distance across the largest pockets or holes within the UA footprint. Since our evaluations showed that the largest distance was just under 4 miles across, we decided to use one half of that distance, i.e., 2 miles, as the offset distance. This would ensure that any sources located within a pocket or hole would be controlled as part of the UA source-group. Since we did not find the presence of holes in UC's, no offset is provided.

emissions by 95 percent or more (generally by a condenser with a flash tank); or (2) reduce HAP emissions to an outlet concentration of 20 parts per million by volume (ppmv) or less (for combustion devices); or (3) reduce benzene emissions to a level less than 0.90 Mg/yr (1.0 tpy). As an alternative to complying with these control requirements, pollution prevention measures such as process modifications or combinations of process modifications and one or more control devices that reduce the amount of HAP generated, are allowed provided that they achieve the same required emission reductions.

For those area source TEG dehydration units with natural gas throughput and benzene emission rates above the cutoff levels described above that are located outside of UA plus offset and UC boundaries, we are requiring, pursuant to CAA section 112(d)(5), that each unit reduce emissions by lowering the glycol circulation rate to be less than or equal to an optimum rate. The optimum rate is determined by the following equation:

$$L_{OPT} = 1.15 * 3.0 \frac{gal\,TEG}{lb\,H_2O} * \left( \frac{F * (I - O)}{24\,hr/day} \right)$$

Where:

$L_{OPT}$ = Optimal circulation rate, gal/hr.

F = Gas flowrate (MMSCF/D).
I = Inlet water content (lb/MMSCF), and
O = Outlet water content (lb/MMSCF).

The constant 3.0 gal TEG/lb $H_2O$ is the industry accepted rule of thumb for a TEG-to-water ratio. The constant 1.15 is an adjustment factor included for a margin of safety.

We decided to subcategorize in the manner described above for several reasons. We received a number of comments on both the 1998 and 2005 proposals that this source category contains many sources that are located in remote areas. Our understanding of this area source category is consistent with the comment on the remoteness of the locations of many of these sources. We recognize that the oil and natural gas production source category is unique compared to many other area source categories in that the location of these sources is dictated by the location of the relevant natural resources rather than a need to serve a particular population center. In addition, sources in this category do not typically require on-site operators and are usually not manned by large staff, if manned at all. As previously mentioned, we believe that the standards need to be tailored to appropriately address these unique circumstances.

In conducting our analysis, we compared the impacts of applying the add-on control requirement described above to

TEG dehydration units nationwide to the impacts of only applying the requirement to units located in areas of high population densities (i.e., within the UA plus offset and UC boundary).[6] Applying the add-on control to the estimated 2,222 TEG dehydration units nationwide would result in approximately 13,400 tpy of HAP (4,020 tpy of benzene) emission reduction. We estimate that these 2,222 TEG dehydration units are located in States with a combined population of 92 million people.[7] The annual cost for this option was estimated to be $39 million. We then evaluated the impacts of applying the add-on control requirement to only those TEG dehydration units located within UA plus offset and UC boundaries. We estimated 50 TEG dehydration units in this area with a combined population of 80 million people. This scenario would result in a 300 tpy HAP (90 tpy of benzene) emission reduction and an annual cost of compliance of $883 thousand. Thus, extending the add-on control requirement to sources outside the UA plus offset and UC boundaries would result in an additional annual cost exceeding $38 million in an area with a combined population of 12 million people. This analysis showed that the

[6] Because we have determined that GACT is no control for units below the natural gas throughput and benzene emission threshold, we only considered the impacts of sources above the thresholds.

[7] We are using an approach by which we are evaluating the affected TEG dehydration units relative to the populations contained in the top 13 natural gas producing States (Texas, New Mexico, Oklahoma, Wyoming, Louisiana, Colorado, Alaska, Kansas, California, Utah, Michigan, Alabama, and Mississippi). This approach is consistent with that used in the July 2005 proposal (70 FR 39446).

overall cost of controlling units outside UA plus offset and UC boundaries was much higher for a lower population.

Since the areas located outside UA plus offset and UC boundaries are sparsely populated compared to those inside UA plus offset and UC boundaries, we do not believe the additional cost associated with extending the add-on control requirement to sources in this area is justified. Under this final rule, the add-on control requirement applies only to sources located within the UA plus offset and UC boundaries. Section 112(d)(5) of the CAA authorizes us to set standards for area sources that provide for the use of generally available management practices by sources to reduce HAP emissions. Pursuant to CAA section 112(d)(5), we have prescribed a management practice for sources located outside the UA plus offset and UC boundaries. We have determined that adjusting the TEG circulation rate is an appropriate management practice for several reasons. First, by lowering the TEG circulation rate, the amount of glycol that comes in contact with the natural gas is reduced, thereby lowering the amount of HAP (e.g., benzene) that is absorbed by the glycol and subsequently emitted through the reboiler vent when the glycol is regenerated. We estimate that the HAP emissions reduction is approximately 7,600 tpy (2,400 tpy of benzene)

for the approximately 2,172 sources located outside UA plus offset and UC boundaries. Second, reducing the TEG circulation rate has the added benefit of reducing natural gas losses. Natural gas is also absorbed by the TEG, and subsequently emitted through the reboiler vent. The amount of natural gas vented is directly proportional to the TEG circulation rate. Lowering the TEG circulation rate has a direct impact on the amount of natural gas lost. Third, optimizing the TEG circulation rate can be achieved without sacrificing the performance of the TEG dehydration unit. Fourth, this process variable does not require the presence of an on-site operator to maintain and, thus, would be an achievable option for unmanned sources. Finally, the TEG circulation rate can be optimized for minimal capital cost (e.g., a new pump may be required) and could result in an annual cost savings due to the reduction of the natural gas losses. Therefore, this final rule requires each TEG dehydration unit at area source oil and natural gas production facilities located outside of UA plus offset and UC boundaries to reduce emissions by optimizing the TEG circulation rate.

F. What are the testing and initial compliance requirements?

To demonstrate that the actual annual average natural gas flowrate of your TEG dehydration unit is less than 85 thousand $m^3$/day (3 MMSCF/D), this final rule specifies that you must determine the natural gas flow rate using either a flow measurement device or another method approved by the Administrator. To demonstrate that your TEG dehydration unit emits less than 0.90 Mg/yr (1.0 tpy) of benzene, this final rule specifies that you must determine its emissions using either GRI-GLYCalc™, Version 3.0 or higher, or direct measurement.

For TEG dehydration units that have an actual annual average natural gas flowrate and benzene emission rate at or above the cut-off levels mentioned above and are located within the UA plus offset and UC boundaries, the source must submit Notification of Compliance Status Reports, inspect/test the closed-vent system and control device(s), and establish monitoring parameter values. If the unit is above the cut-offs and located outside the UA plus offset and UC boundaries, the source only has to submit an Initial Notification which must include a certified statement of future compliance.

We are finalizing the change proposed in the July 8, 2005 notice to allow ASTM D6420-99 (2004) as an alternative where EPA Method 18 is specified. The General Provisions

of 40 CFR part 63 will be amended to incorporate the approved method by reference for 40 CFR part 63, subpart HH. See section VI.J. for further discussion.

G. What are the continuous compliance requirements?

Area sources within UA plus offset and UC boundaries are required to submit periodic reports on an annual basis, instead of semiannually, as is required for major sources. Continuous compliance requirements include submitting periodic reports, conducting annual inspections of closed-vent systems, repairing leaks and defects, conducting the required monitoring, and maintaining the required records. As described in the 1998 proposal and the 2005 proposal, these monitoring, recordkeeping, and reporting requirements are the same as those required for major sources except for the frequency of submittal for periodic reports. Sources outside the UA plus offset and UC boundaries must maintain a record of the circulation rate determination.

## III. Significant Changes Since Proposal

A. Compliance Dates

The compliance date provisions for existing sources in this final rule differ from the two proposed rules in two respects. First, because we have added a management practice requirement to this final rule, we included a 2-year compliance deadline for existing sources subject to

this requirement. The management practice requirement would require, at most, that a source install a new glycol pump to optimize the TEG circulation rate. We believe that 2 years is a sufficient length of time in which to install and operate the glycol pump at the optimum circulation rate. We considered making the compliance deadline 1 year, however we decided that given the estimated 2,172 sources required to implement this management practice, a 2-year compliance period was more appropriate.

Second, we use the date of the 1998 proposed rule for defining existing and new sources in "Urban-1" counties only. In the 2005 supplemental proposal, we used the date of the 1998 proposed rule to define new and existing sources in both Urban-1 and "Urban-2" counties, because we had proposed to regulate sources in these counties in the 1998 proposed rule[8]. Since then, we concluded that defining existing and new sources in Urban-2 counties based on the date of the 1998 proposed rule would be inappropriate because the 1998 proposed rule contained an inaccurate definition for Urban-2 and, therefore, did not provide adequate notice to sources in Urban-2 counties. Accordingly, this final rule uses the date of the 1998

[8] Both the 1998 and 2005 proposed rules provided definitions for "Urban-1" and "Urban-2." However, we did not accurately define "Urban-2" in the 1998 proposed rule. The definition for "Urban-2" was corrected in the 2005 supplemental proposed rule.

proposal for defining existing and new sources in Urban-1 counties only. For sources in areas other than Urban-1 counties, this final rule determines existing and new sources based on the date of the 2005 supplemental proposal.

Table 1 of this preamble presents compliance dates for existing and new sources for this final rule.

| **For an affected source located in a county we classified as...** | **and is located...** | **where the source was constructed/ reconstruct-ed...** | **then the source is...** | **and the compliance date for that source would be...** |
|---|---|---|---|---|
| (a) Urban-1 based on 2000 census data, | within any UA plus offset and UC boundary, | before February 6, 1998, | Existing. | [INSERT DATE 3 YEARS AFTER DATE OF PUBLICATION] |
| (b) Urban-1 based on 2000 census data, | Not within any UA plus offset and UC boundary, | before February 6, 1998, | Existing. | [INSERT DATE 2 YEARS AFTER DATE OF PUBLICATION] |
| (c) Urban-1 based on 2000 census data, | either within or outside any UA plus offset and UC boundary, | on or after February 6, 1998, | New..... | [INSERT DATE OF PUBLICATION] or startup, whichever is later |

| | | | | |
|---|---|---|---|---|
| (d) Not Urban-1 based on 2000 census data, | within any UA plus offset and UC boundary, | before July 8, 2005, | Existing. | [INSERT DATE 3 YEARS AFTER DATE OF PUBLICATION] |
| (e) Not Urban-1 based on 2000 census data, | Not within any UA plus offset and UC boundary, | before July 8, 2005, | Existing. | [INSERT DATE 2 YEARS AFTER DATE OF PUBLICATION] |
| (f) Not Urban-1 based on 2000 census data, | Either within or outside any UA plus offset and UC boundary, | on or after July 8, 2005, | New..... | [INSERT DATE OF PUBLICATION] or startup, whichever is later |

B. Applicability Requirements

Whereas the proposed rules proposed applying the add-on control requirement either nationally or only to TEG dehydration units at sources located in “urban” counties, this final rule applies this requirement to: units at area sources located within a UA plus offset and UC boundary, which is described in section II.E above. Units at area sources not located within the UA plus offset and UC boundaries must implement the prescribed management practices (i.e., adjust TEG circulation rate) for operation of the TEG dehydration unit. Guidance is available on the Internet at http://www.epa.gov/ttn/atw/oilgas/oilgaspg.html

to assist in determining your location relative to a UA plus offset and UC boundary, or you can access the Bureau of Census website at http://factfinder.census.gov to generate a map based on the location of your TEG dehydration unit and calculate the location relative to the nearest UA plus offset and UC boundaries.

C. Startup, Shutdown, and Malfunction Requirements

This final rule follows the requirements of the General Provisions (40 CFR part 63, subpart A) regarding startup, shutdown, and malfunction (SSM) events. Because this final rule only requires area sources within UA plus offset and UC boundaries to have add-on control, only sources within the UA plus offset and UC boundaries are subject to the General Provisions regarding SSM.

## IV. Responses to Significant Comments

Our responses to all of the significant public comments on both proposals are presented in the Response to Comments Document which is available in Docket No. EPA-HQ-OAR-2004-0238.

A. What Geographic Applicability Criteria is Being Used in this final rule?

Comment: We proposed two options for the geographic applicability criteria: (1) all TEG dehydration units would be subject to area source standards (hereinafter

referred to as ”Option 1”); and (2) area source standards would apply to TEG dehydration units located in Urban-1 and Urban-2 counties (hereinafter referred to as “Option 2”). We received comments objecting to Option 1 for primarily two reasons: (1) EPA does not have the authority to regulate rural sources under the CAA; and (2) regulation of rural or remote sources is not warranted due to low exposure risks.

The commenters stated that nationwide applicability is contrary to the plain language of the CAA, specifically section 112(k). According to the commenters, CAA section 112(k) is designed to address those smaller sources of HAP that create unacceptable exposures in concentrated urban areas; remote, small, or sparsely populated rural areas, where many dehydrators are located, are therefore not within the scope of CAA section 112(k)(1). Several commenters stated that there is no clear indication that emissions from remote sources provide a meaningful contribution to ambient air toxic levels in urban areas; therefore, regulating rural sources would not have the effect intended by the CAA.

We also received comments objecting to Option 1 asserting that exposure risks from facilities located in rural or remote areas are low or nonexistent. One

commenter stressed that the foundation for the area source program was based on regulating area sources in a manner that would result in a public health benefit. The commenter stated that regulating dehydration units in rural areas, which are sparsely populated, would not yield the same public health benefits that were "contemplated" by the statute.

Response: We believe that the CAA provides the Agency with the authority to regulate area sources nationwide. CAA section 112(k)(1) states that “It is the purpose of this subsection to achieve a substantial reduction in emissions of hazardous air pollutants from area sources and an equivalent reduction in the public health risks associated with such sources including a reduction of not less than 75 per centum in the incidence of cancer attributable to emissions from such sources.” Consistent with this expressed purpose of CAA section 112(k) to reduce both emissions and risks, CAA section 112(k)(3)(i) requires that we list not less than 30 HAP that, as a result of emissions from area sources, present the greatest threat to public health in the largest number of urban areas. CAA sections 112(c)(3) and (k)(3)(ii) require that we list area source categories that represent not less than 90 percent of the area source emissions of each of the listed HAP.

CAA section 112(c) requires that we issue standards for listed categories under CAA section 112(d). These relevant statutory provisions authorize us to regulate listed area source categories and not just sources located in urban areas.

In both the UATS and our July 8, 2005 supplemental proposal, we identified the reasons supporting a national rule (e.g., benzene's toxicity and carcinogenicity, a level playing field, the 75 percent cancer incidence reduction goal) (64 FR 38724 and 70 FR 39446). Furthermore, by requiring management practices rather than control requirements on sources outside the UA plus offset and UC boundaries, we believe that we have appropriately addressed commenters' concern with respect to remote sources being subject to unnecessary or costly requirements.

B. What urban definition is being used in this final rule?

Comment: Several commenters opposed EPA's definition of "urban areas." According to the commenters, by defining urban areas as county-wide areas, EPA has expanded urban areas to include large expanses of rural territories. One commenter stated that a comparison of land area to population on a county basis shows that the target population for protection is very thinly distributed. Four commenters referred to maps noting that the maps show vast

areas of the United States that would be classified as urban areas based on the proposed definition, but have very low population. The commenters specifically referred to the State of Wyoming, in which half of the State is classified as "urban" using EPA's proposed definition. One commenter also pointed out that in Utah, six of the 12 counties designated as urban using EPA's definition have a population density of less than ten persons per square mile.

Other commenters stated that some counties with a total population of less than 5,000, and an average population density of less than two people per square mile, would be classified as urban under the Urban-2 designation. In order to illustrate the broad geographical applicability that includes remote locations, the commenters stated that, based on the Urban-2 definition, urban designations would be applied to:

- 14 of 23 counties in Wyoming;
- 20 of 33 counties in New Mexico;
- 10 or 17 counties in Nevada; and
- 17 of 56 counties in Montana.

One commenter stated that EPA's proposed definition of urban areas would be unnecessarily costly and burdensome on sites located in rural or remote areas, but classified as urban. One commenter acknowledged that there has been, and

will continue to be, instances of energy production and population encroachment. However, according to the commenter, most of the known conventional or unconventional gas supply basins are likely to remain rural for the foreseeable future.

Response: The statute does not define urban, thus, leaving us the discretion to define the term. We proposed and took comments on our definition of the term urban as part of our 1999 UATS. The definition was the basis for the listing of area source categories pursuant to section 112(c)(3) and (k)(3)(B)(ii) of the CAA. We are currently under court-ordered deadlines to complete issuing standards for all listed area source categories. Changing the definition of urban would mean recreating an area source category list, which may differ significantly from the current list and, thus, greatly hinders our effort to complete our obligation by the court-ordered deadlines. Therefore, we believe that revisiting the definition of urban is inappropriate at this time. However, we have tailored this rule to address the unique circumstances associated with this source category, as described above. Moreover, in response to comments regarding the nature of remote sources, we modified this final rule and are only requiring the add-on control requirement for sources in

areas of higher population densities, which we have identified as areas within the UA plus offset and UC boundaries. This rule imposes the less costly management practice requirements on sources outside the UA plus offset and UC boundaries.

C. What are the requirements for remote/unmanned sources?

Comment: Commenters said if EPA imposes controls on TEG dehydrators outside of Urban-1 areas, it should adopt a separate (lesser) control standard for those remote area sources for the following reasons:

- It is not justified based on health effects.
- Practical considerations prevent operators from achieving the 95-percent control efficiency on remote, unmanned TEG dehydrators.

Commenters said that in order to meet the 95-percent control efficiency or the outlet concentration, an operator generally has to install a system with a forced draft fan for the condenser and a flare or vapor recovery system. Many remote sources do not have an electric power supply, which precludes using a forced draft fan. Routing the vapors to the firebox or fire-tube is not practical in all situations because the high water vapor content can extinguish the fire. While flares and vapor recovery systems address this problem, they require frequent monitoring, which is a problem at unmanned sites that are

only visited infrequently. The lack of electric power supply would make certain automated monitoring systems impossible.

Commenters said EPA should adopt a separate GACT standard for facilities outside of "Urban-1" areas and "urbanized areas." The 95-percent control efficiency standard could still apply in Urban-1 areas and urbanized areas, but it would not otherwise apply to area source TEG dehydrators. The commenters recommended that EPA set GACT for facilities that are not located in Urban-1 or urbanized areas as a reduction of benzene to a level of less than 1 tpy, and remove the 95-percent control efficiency requirement. One commenter added that GACT could also be considered as the installation of a flash tank/condenser or incinerator process.

Response: We agree with the commenters that it is reasonable to require a higher level of emission reductions for TEG dehydration units located in more densely populated areas. We also recognize that the oil and natural gas source category is unique because there are many area sources that are located in remote or rural areas. For these reasons and the reasons discussed above, we have subcategorized to differentiate between those sources above the cutoff levels identified above that are located inside

UA plus offset and UC boundaries and those located outside such boundaries. We require installation of control equipment for TEG dehydration units located inside UA plus offset and UC boundaries and management practices (i.e., optimized glycol circulation rate) for units located outside UA plus offset and UC boundaries. We believe that this approach addresses the commenters' concerns regarding the control of remote or rural facilities.

## V. Impacts of This Final Rule

The environmental and cost impacts for this final rule are presented in Table 2 of this preamble:

| | **Existing** | **New** |
|---|---|---|
| Total Number of Impacted Facilities | 2,222 | 141* |
| **Facilities Required to Install Add-On Controls** | | |
| Number of Facilities | 50 | 3 |
| Emission Reductions (Mg/yr) | | |
| HAP | 300 | 17 |
| VOC | 530 | 30 |
| Benzene | 90 | 5 |
| Secondary Emissions Increases (Mg/yr) | | |
| $SO_2$ | <1 | <1 |
| $NO_X$ | <1 | <1 |
| CO | <1 | <1 |
| Cost Impacts | | |
| Total Capital Investment (1,000 $/yr) | 850 | 35 |
| Total Annual Cost (1,000 $/yr) | 880 | 50 |
| **Facilities Required to Implement Management Practices** | | |
| Number of Facilities | 2,172 | 138 |
| Emission Reductions (Mg/yr) | | |
| HAP | 6,900 | 440 |
| VOC | 14,020 | 890 |
| Benzene | 2,200 | 140 |
| Cost Impacts | | |

| | | |
|---|---|---|
| Total Capital Investment (1,000 $/yr) | 1,700 | 105 |
| Total Annual Cost without considering gas savings (1,000 $/yr) | 14,200 | 905 |
| Total Annual gas savings (1,000 $/yr) | (12,600) | (800) |
| Total Annual Cost considering gas savings (1,000 $/yr) | 1,600 | 105 |

* New source estimates are estimated by determining the average number of new sources per year.

A. What Are The Air Impacts?

For existing area source TEG dehydration units in the oil and natural gas production source category, we estimate that nationwide baseline area sources HAP emissions are 45,100 Mg/yr (49,600 tpy) and 13,500 Mg/yr of benzene (14,800 tpy). The final standards require that TEG dehydration units with a natural gas throughput greater than 85 thousand $m^3$/day (3 MMSCF/D) and benzene emissions greater than 0.90 Mg/yr (1.0 tpy), located within the UA plus offset and UC boundaries achieve a 95-percent emission reduction or reduce benzene emissions to less than 0.90 Mg/yr (1.0 tpy) either through pollution prevention process changes or by installing a control device (e.g., condenser), while sources located outside the UA plus offset and UC boundaries optimize their glycol circulation rate. We estimate that this final rule will result in a HAP emission reduction of 7,200 Mg/yr (7,900 tpy) and 2,200 Mg/yr of benzene (2,400 tpy).

To estimate the impacts of this final rule on new sources, we assumed that new area source facilities would, in the absence of the standards, have baseline emissions equivalent to existing sources. We estimate that a total of 7,200 new area source TEG dehydration units will be constructed within the next 5 years, or 2,400 per year. Of these 7,200 new area source TEG dehydration units, we estimate that a total of 423 (141 per year) will have an actual annual average natural gas flowrate greater than or equal to 85 thousand $m^3$/day (3 MMSCF/D). Using these assumptions, we estimate the nationwide emission reduction resulting from new area source TEG dehydration units complying with this final rule would be approximately 450 Mg/yr (500 tpy) of HAP and 140 Mg/yr (150 tpy) of benzene from the 141 new area sources that would become subject each year. We assume that, of the 141 new area sources, 3 would be located within the UA plus offset and UC boundaries and 138 would be located outside the boundaries.

Secondary environmental impacts are considered to be any air, water, or solid waste impacts, positive or negative, associated with the implementation of the final standards. These impacts are exclusive of the direct

organic HAP air emissions reductions discussed in the previous section.

The capture and control of benzene that is presently emitted from area source TEG dehydration units will result in a decrease in volatile organic compound (VOC) emissions as well. The estimated total VOC emissions reductions are 14,550 Mg/yr (16,000 tpy) from existing sources.

Other secondary environmental impacts are those associated with the operation of certain air emission control devices (i.e., flares). The adverse secondary air impacts would be minimal in comparison to the primary HAP reduction benefits from implementing the final control requirements for area sources. We estimate that the national annual increase of secondary air pollutant emissions resulting from the use of a flare to comply with the final standards is less than 1 Mg/yr for sulfur oxides, 1 Mg/yr for carbon monoxide, and 1 Mg/yr for nitrogen oxides.

B. What Are The Cost Impacts?

Since several compliance options are available to owners/operators of affected sources subject to the add-on control requirement, we are not sure what control method will be employed. Sources can control emissions by routing emissions to a condenser, a flare, a process heater, or

back to the process or by implementing pollution prevention process changes. For the cost estimates developed for condenser systems, we looked at systems with and without the use of a gas condensate glycol separator (GCG separator) or flash tank in TEG dehydration system design. We estimate that approximately 50 sources are located within the UA plus offset and UC boundaries. For the new source cost impacts, we assumed that new area source TEG dehydration units will be constructed with a flash tank.

Affected sources located outside of UA plus offset and UC boundaries are required to operate the TEG dehydration unit at the optimum glycol circulation rate. For estimating annual costs for these sources, it was assumed that in order to meet the optimum glycol circulation rate, owners or operators would be required to purchase and install a new pump. Because reducing the glycol circulation rate to an optimum level reduces gas losses, a recovery credit is also associated with this requirement. Although we believe a minority of sources will have to install a new pump to meet the management practice requirements, costs were estimated by assuming that 50 percent of the 2,172 sources would have to install a new pump while the other 50 percent could lower the circulation

rate sufficiently by making adjustments on the existing pump.

The estimated annual costs shown in Table 2 of this preamble include the capital cost; operating and maintenance costs; the cost of monitoring, inspection, recordkeeping, and reporting; and any associated product recovery credits.

C. What Are The Economic Impacts?

For the 1998 proposal, we prepared an economic impact analysis evaluating the impacts of the rule on affected producers, consumers, and society. The economic analysis focused on the regulatory effects on the United States natural gas market that is modeled as a national, perfectly competitive market for a homogenous commodity.

The results of the analysis showed that the imposition of regulatory costs on the natural gas market would result in negligible changes in natural gas prices, output, employment, foreign trade, and business closures. The price and output changes as a result of the 1998 proposed regulation were estimated to be less than 0.01 percent, significantly less than observed market trends. We continue to believe that the previous analysis is valid for today's action and that the result of the 1998 economic impact analysis resulted in a very low percent increase in

price and output changes. Therefore, we believe that imposition of regulatory costs associated with this final rule will result in negligible changes in natural gas prices, output, employment, foreign trade, and business closures.

D. What Are The Non-Air Environmental and Energy Impacts?

The water impacts associated with the installation of a condenser system for the TEG dehydration unit reboiler vent would be minimal. This is because the condensed water collected with the hydrocarbon condensate can be directed back into the system for reprocessing with the hydrocarbon condensate or, if separated, combined with produced water for disposal by reinjection.

Similarly, the water impacts associated with installation of a vapor control system would be minimal. This is because the water vapor collected along with the hydrocarbon vapors in the vapor collection and redirect system can be directed back into the system for reprocessing with the hydrocarbon condensate or, if separated, combined with the produced water for disposal for reinjection.

The best management practice of optimizing the glycol circulation rate would result in lower quantities of water

being absorbed into the glycol and sent to the glycol dehydration unit.

Therefore, we expect the adverse water impacts from the implementation of the emissions reduction options for the final area source standards to be minimal.

We do not anticipate any adverse solid waste impacts from the implementation of the area source standards.

Energy impacts are those energy requirements associated with the operation of emission control devices. There would be no national energy demand increase from the operation of any of the control options analyzed under the final oil and natural gas production standards for area sources. The final area source standards encourage the use of emission controls that recover hydrocarbon products, such as methane and condensate that can be used on-site as fuel or reprocessed, within the production process, for sale. There are no energy requirements associated with the management practices within this final rule. Thus, the final standards have a positive impact associated with the recovery of non-renewable energy resources.

## VI. Statutory and Executive Order Reviews

### A. Executive Order 12866: Regulatory Planning and Review

Under Executive Order 12866 (58 FR 51735, October 4, 1993), this action is a "significant regulatory action.”

This action meets criteria 3(f)(4) of Executive Order 12866, "raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in the Executive Order." Accordingly, EPA submitted this action to the Office of Management and Budget (OMB) for review under Executive Order 12866 and any changes made in response to OMB recommendations have been documented in the docket for this action.

B. Paperwork Reduction Act

The information collection requirements in this rule have been submitted for approval to OMB under the Paperwork Reduction Act, 44 U.S.C. 3501, et seq. The information collection requirements are not enforceable until OMB approves them.

The information to be collected for the area source provisions of the Oil and Natural Gas Production NESHAP are based on notification, recordkeeping, and reporting requirements in the NESHAP General Provisions in 40 CFR part 63, subpart A, which are mandatory for all operators subject to national emission standards. These recordkeeping and reporting requirements are specifically authorized by section 114 of the CAA (42 U.S.C. 7414). All information submitted to the EPA pursuant to the recordkeeping and reporting requirements for which a claim

of confidentiality is made is safeguarded according to EPA policies set forth in 40 CFR part 2, subpart B.

This final rule requires maintenance inspections of the control devices but does not require any notifications or reports beyond those required by the applicable General Provisions in subpart A to 40 CFR part 63. The recordkeeping requirements require only the specific information needed to determine compliance.

The Oil and Natural Gas Production NESHAP requires that facility owners or operators retain records for a period of 5 years, which exceeds the 3-year retention period contained in the guidelines in 5 CFR 1320.6. The 5-year retention period is consistent with the provisions of the General Provisions of 40 CFR part 63, and with the 5-year records retention requirement in the operating permit program under title V of the CAA. All subsequent guidelines have been followed and do not violate any of the Paperwork Reduction Act guidelines contained in 5 CFR 1320.6.

The annual projected burden for this information collection to owners and operators of affected sources subject to the emissions reduction requirements in this final rule (averaged over the first 3 years after the effective date of the promulgated rule) is estimated to be

28,000 labor-hours per year, with a total annual cost of $1.6 million per year. These estimates include a one-time performance test and report (with repeat tests where needed), preparation of a startup, shutdown, and malfunction plan, immediate reports for any event when the procedures in the plan were not followed, annual compliance reports, maintenance inspections, notifications, and recordkeeping.

Burden means the total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a Federal agency. This includes the time needed to review instructions; develop, acquire, install, and utilize technology and systems for the purposes of collecting, validating, and verifying information, processing and maintaining information, and disclosing and providing information; adjust the existing ways to comply with any previously applicable instructions and requirements; train personnel to be able to respond to a collection of information; search data sources; complete and review the collection of information; and transmit or otherwise disclose the information.

An agency may not conduct or sponsor, and a person is not required to respond to a collection of information

unless it displays a currently valid OMB control number. The OMB control numbers for EPA's regulations in 40 CFR are listed in 40 CFR part 9. When this Information Collection Request is approved by OMB, the Agency will publish a technical amendment to 40 CFR part 9 in the Federal Register to display the OMB control number for the approved information collection requirements contained in this final rule.

C. Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA) generally requires an agency to prepare a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements under the Administrative Procedure Act or any other statute unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. Small entities include small businesses, small organizations, and small governmental jurisdictions.

For purposes of assessing the impacts of today's rule on small entities, small entity is defined as: (1) a small business with 500 employees or less (as defined by the Small Business Administration’s (SBA) regulations at 13 CFR 121.201; (2) a small governmental jurisdiction that is a government of a city, county, town, school district or

special district with a population of less than 50,000; and (3) a small organization that is any not-for-profit enterprise which is independently owned and operated and is not dominant in its field.

After considering the economic impacts of today's final rule on small entities, EPA has concluded that this action will not have a significant economic impact on a substantial number of small entities. This final rule requires emission reductions (either by installing a control device or by implementing management practices) at facilities that operate a TEG dehydration unit with an average annual natural gas throughput at or above 85 thousand m3/day (3 MMSCF/D) and benzene emissions at or above 0.90 Mg/yr (1.0 tpy). This final rule provides that GACT is no control for sources with natural gas flow below 85 thousand m3/day (3 MMSCF/D) or with benzene emissions below 0.90 Mg/yr (1.0 tpy) of benzene. Accordingly, we estimated that 2,222 of the 38,000 sources would be subject to the emission reduction requirements.

We performed an economic impact analysis to estimate the changes in product price and production quantities due to this final rule. Because sales and revenues data were not readily available for the affected industries, we began our analysis by examining the annual cost of meeting the

emissions reduction requirements. Since the maximum cost incurred by a source subject to this final rule occurs when installing add-on controls, we are basing our analysis on that compliance approach. The annual per unit cost of compliance with this final rule would be $17,657. The throughput cost for natural gas has experienced significant volatility within the past several years, making a point estimate difficult to identify. The wellhead natural gas price, from the Department of Energy, averaged $4.00 per thousand cubic feet from 2001 to 2003. In order to be conservative for this analysis, we assumed a natural gas price of $88.29 per thousand cubic meters ($2.50 per thousand cubic feet).

One frequently-used approach for determining whether or not a rule would have a significant impact on a small entity is to compare annualized control cost with annualized revenue from sales. Typically, costs less than 1 percent of revenues are not considered as imposing a significant impact. In the present case, the annual per-unit cost of compliance is estimated to be $17,657. Using the aforementioned 1 percent criterion for significant impact, annual revenues would have to be less than $1,765,700 in order for significant impact to occur. At $88.29 per thousand cubic meters ($2.50 per thousand cubic

feet) of throughput, that revenue translates to 19,999 thousand cubic meters per year (706,280 thousand cubic feet per year) throughput, or 54.8 thousand m3/day (1.94 MMSCF/D). Since the cutoff for installation of emissions controls for this final rule is 85 thousand m3/day (3 MMSCF/D), we determined the annual cost of control for those entities affected by this final rule is not sufficient to generate a significant impact on a substantial number of small entities.

Although this final rule will not have a significant economic impact on a substantial number of small entities, we nonetheless have tried to reduce the impact of this rule on small entities. Where periodic reporting is required, we are requiring annual reporting in this rule, as opposed to semi-annual reporting that is required in the major source NESHAP for this category. In addition, our subcategorization, as described above, should reduce the number of small entities impacted and the extent of the impact.

D. Unfunded Mandates Reform Act

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA), Public Law 104-4, establishes requirements for Federal agencies to assess the effects of their regulatory actions on State, local, and tribal governments and the

private sector. Under section 202 of the UMRA, EPA generally must prepare a written statement, including a cost-benefit analysis, for proposed and final rules with "Federal mandates" that may result in expenditures to State, local, and tribal governments, in the aggregate, or to the private sector, of $100 million or more in any 1 year. Before promulgating an EPA rule for which a written statement is needed, section 205 of the UMRA generally requires EPA to identify and consider a reasonable number of regulatory alternatives and adopt the least costly, most cost-effective, or least burdensome alternative that achieves the objectives of the rule. The provisions of section 205 do not apply when they are inconsistent with applicable law. Moreover, section 205 allows EPA to adopt an alternative other than the least costly, most cost-effective, or least burdensome alternative if the Administrator publishes with this final rule an explanation why that alternative was not adopted. Before EPA establishes any regulatory requirements that may significantly or uniquely affect small governments, including tribal governments, it must have developed under section 203 of the UMRA a small government agency plan. The plan must provide for notifying potentially affected small governments, enabling officials of affected small

governments to have meaningful and timely input in the development of EPA regulatory proposals with significant Federal intergovernmental mandates, and informing, educating, and advising small governments on compliance with the regulatory requirements.

EPA has determined that this rule does not contain a Federal mandate that may result in expenditures of $100 million or more for State, local, and tribal governments, in the aggregate, or the private sector in any 1 year. The maximum total annual cost of this final rule for any 1 year has been estimated to be less than $2.5 million. Thus, today's rule is not subject to the requirements of sections 202 and 205 of the UMRA. In addition, the rule does not significantly or uniquely affect small governments because it does not contain any requirements applicable to such governments or impose obligations upon them. Therefore, today’s rule is not subject to section 203 of the UMRA.

E. Executive Order 13132: Federalism

Executive Order 13132, entitled “Federalism” (64 FR 43255, August 10, 1999), requires EPA to develop an accountable process to ensure “meaningful and timely input by State and local officials in the development of regulatory policies that have federalism implications.” “Policies that have federalism implications” is defined in

the Executive Order to include regulations that 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."

This final rule 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, as specified in Executive Order 13132. Thus, Executive Order 13132 does not apply to this rule.

F. Executive Order 13175: Consultation and Coordination with Indian Tribal Governments

Executive Order 13175, entitled "Consultation and Coordination with Indian Tribal Governments" (65 FR 67249, November 9, 2000), requires EPA to develop an accountable process to ensure "meaningful and timely input by tribal officials in the development of regulatory policies that have tribal implications." This final rule does not have tribal implications, as specified in Executive Order 13175.

This final rule does not significantly or uniquely affect the communities of Indian tribal governments. We do not know of any area source TEG dehydration units owned or

operated by Indian tribal governments. However if there are any, the effect of this final rule on communities of tribal governments would not be unique or disproportionate to the effect on other communities. Thus, Executive Order 13175 does not apply to this final rule.

G. Executive Order 13045: Protection of Children from Environmental Health Risks and Safety Risks

Executive Order 13045: "Protection of Children from Environmental health Risks and Safety Risks" (62 FR 19885, April 23, 1997) applies to any rule that: (1) is determined to be "economically significant" as defined under Executive Order 12866, and (2) concerns an environmental health or safety risk that EPA has reason to believe may have a disproportionate effect on children. If the regulatory action meets both criteria, the Agency must evaluate the environmental health or safety effects of the planned rule on children, and explain why the planned regulation is preferable to other potentially effective and reasonably feasible alternatives considered by the Agency.

EPA interprets Executive Order 13045 as applying only to those regulatory actions that are based on health or safety risks, such that the analysis required under section 5-501 of the Order has the potential to influence the regulation. This final rule is not subject to Executive

Order 13045 because it is based on technology performance and not on health or safety risks.

H. Executive Order 13211: Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use

This rule is not a "significant energy action" as defined in Executive Order 13211, "Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use" (66 FR 28355, May 22, 2001) because it is not likely to have a significant adverse effect on the supply, distribution, or use of energy. Further, we have concluded that this rule is not likely to have any adverse energy effects.

I. National Technology Transfer and Advancement Act

As noted in the proposed rule, Section 12(d) of the National Technology Transfer and Advancement Act of 1995 (NTTAA), Public Law No. 104-113, 12(d) (15 U.S.C. 272 note) directs EPA to use voluntary consensus standards (VCS) in its regulatory activities unless to do so would be inconsistent with applicable law or otherwise impractical. VCS are technical standards (e.g., materials specifications, test methods, sampling procedures, and business practices) that are developed or adopted by VCS bodies. The NTTAA directs EPA to provide Congress, through

OMB, explanations when the Agency decides not to use available and applicable VCS.

This action does not involve technical standards. Therefore, EPA did not consider the use of any VCS. However, we would like to note that the draft standard ASTM Z7420Z, which was cited in the final Oil and Natural Gas Production NESHAP (64 FR 32609–32664, June 17, 1999) as a potentially practical method to use in lieu of EPA Method 18, has now been finalized by ASTM and approved by EPA for use in rules where Method 18 is cited. This new standard is ASTM D6420–99 (2004), Standard Test Method for Determination of Gaseous Organic Compounds by Direct Interface Gas Chromatography-Mass Spectrometry, and it is appropriate for inclusion in this final rule in addition to EPA Method 18, codified at 40 CFR part 60, appendix A, for measurement of total organic carbon, total HAP, total volatile HAP, and benzene.

Similar to EPA’s performance-based Method 18, ASTM D6420–99 (2004) is also a performance-based method for measurement of total gaseous organic compounds. However, ASTM D6420–99 (2004) was written to support the specific use of highly portable and automated gas chromatographs/mass spectrometers (GC/MS). While offering advantages over the traditional Method 18, the ASTM method

does allow some less stringent criteria for accepting GC/MS results than required by Method 18. Therefore, ASTM D6420–99 (2004) is a suitable alternative to Method 18 only where: (1) The target compound(s) are those listed in Section 1.1 of ASTM D6420–99 (2004), and (2) the target concentration is between 150 parts per billion by volume and 100 ppmv. For target compound(s) not listed in Section 1.1 of ASTM D6420–99 (2004), but potentially detected by mass spectrometry, this final rule specifies that the additional system continuing calibration check after each run, as detailed in Section 10.5.3 of the ASTM method, must be followed, met, documented, and submitted with the data report even if there is no moisture condenser used or the compound is not considered water soluble. For target compound(s) not listed in Section 1.1 of ASTM D6420–99 (2004), and not amenable to detection by mass spectrometry, ASTM D6420–99 (2004) does not apply.

As a result, EPA will allow ASTM D6420–99 (2004) for use with this final rule. The EPA will also allow Method 18 as an option in addition to ASTM D6420–99 (2004). This will allow the continued use of GC configurations other than GC/MS. Under 40 CFR 63.7(f) and 40 CFR 63.8(f), subpart A of the General Provisions, a source may apply to EPA for permission to use alternative test methods or

alternative monitoring requirements in place of any of the EPA testing methods, performance specifications, or procedures.

J. Congressional Review Act

The Congressional Review Act, 5 U.S.C. 801, et seq., as added by the Small Business Regulatory Enforcement Fairness Act of 1996, generally provides that before a rule may take effect, the agency promulgating the rule must submit a rule report, which includes a copy of the rule, to each House of the Congress and to the Comptroller General of the United States. EPA will submit a report containing this rule and other required information to the United States Senate, the United States House of Representatives, and the Comptroller General of the United States prior to publication of the rule in the Federal Register. A major rule cannot take effect until 60 days after it is published in the Federal Register. This action is not a “major rule” as defined by 5 U.S.C. 804(2). This rule will be effective [INSERT DATE OF PUBLICATION].

**List of Subjects in 40 CFR Part 63**

Environmental protection, Air pollution control, Hazardous substances, Incorporation by reference, Reporting and recordkeeping requirements.

_____
Dated:

_____
Stephen L. Johnson,
Administrator.

For the reasons set forth in the preamble, title 40, chapter I, part 63 of the Code of Federal Regulations is amended as follows:

**PART 63--[AMENDED]**

1. The authority citation for part 63 continues to read as follows:

**Authority:** 42 U.S.C. 7401 et seq.

**Subpart A--[AMENDED]**

**2.** Section 63.14 is amended by revising paragraph (b)(28) to read as follows:

**§63.14 Incorporations by reference.**

* * * * *

(b) * * *

(28) ASTM D6420-99 (Reapproved 2004), Standard Test Method for Determination of Gaseous Organic Compounds by Direct Interface Gas Chromatography-Mass Spectometry, IBR approved for §§63.772(a)(1)(ii), 63.2354(b)(3)(i), 63.2354(b)(3)(ii), 63.2354(b)(3)(ii)(A), and 63.2351(b)(3)(ii)(B).

* * * * *

**Subpart HH--[AMENDED]**

3. Section 63.760 is amended as follows:

a. By revising paragraph (a)(1) introductory text;

b. By revising paragraph (b);

c. By revising paragraph (e)(2);

d. By revising paragraph (f) introductory text;

e. By revising the first sentences in paragraphs (f)(1) and (f)(2);

f. By adding paragraphs (f)(3) through (6);

g. By revising paragraph (g) introductory text; and

h. By adding a sentence at the end of paragraph (h).

**§63.760 Applicability and designation of affected source.**

(a) * * *

(1) Facilities that are major or area sources of hazardous air pollutants (HAP) as defined in §63.761. Emissions for major source determination purposes can be estimated using the maximum natural gas or hydrocarbon liquid throughput, as appropriate, calculated in paragraphs (a)(1)(i) through (iii) of this section. As an alternative to calculating the maximum natural gas or hydrocarbon liquid throughput, the owner or operator of a new or existing source may use the facility's design maximum natural gas or hydrocarbon liquid throughput to estimate the maximum potential emissions. Other means to determine the facility's major source status are allowed, provided the information is documented and recorded to the Administrator's satisfaction. A facility that is determined to be an area source, but subsequently increases

its emissions or its potential to emit above the major source levels (without first obtaining and complying with other limitations that keep its potential to emit HAP below major source levels), and becomes a major source, must comply thereafter with all provisions of this subpart applicable to a major source starting on the applicable compliance date specified in paragraph (f) of this section. Nothing in this paragraph is intended to preclude a source from limiting its potential to emit through other appropriate mechanisms that may be available through the permitting authority.

* * * * *

(b) The affected sources for major sources are listed in paragraph (b)(1) of this section and for area sources in paragraph (b)(2) of this section.

(1) For major sources, the affected source shall comprise each emission point located at a facility that meets the criteria specified in paragraph (a) of this section and listed in paragraphs (b)(1)(i) through (b)(1)(iv) of this section.

(i) Each glycol dehydration unit;

(ii) Each storage vessel with the potential for flash emissions;

(iii) The group of all ancillary equipment, except compressors, intended to operate in volatile hazardous air pollutant service (as defined in §63.761), which are located at natural gas processing plants; and

(iv) Compressors intended to operate in volatile hazardous air pollutant service (as defined in §63.761), which are located at natural gas processing plants.

(2) For area sources, the affected source includes each triethylene glycol (TEG) dehydration unit located at a facility that meets the criteria specified in paragraph (a) of this section.

* * * * *

(e) * * *

(2) A major source facility, prior to the point of custody transfer, with a facility-wide actual annual average natural gas throughput less than 18.4 thousand standard cubic meters per day and a facility-wide actual annual average hydrocarbon liquid throughput less than 39,700 liters per day.

(f) The owner or operator of an affected major source shall achieve compliance with the provisions of this subpart by the dates specified in paragraphs (f)(1) and (f)(2) of this section. The owner or operator of an affected area source shall achieve compliance with the

provisions of this subpart by the dates specified in paragraphs (f)(3) through (f)(6) of this section.

(1) The owner or operator of an affected major source, the construction or reconstruction of which commenced before February 6, 1998, shall achieve compliance with the applicable provisions of this subpart no later than June 17, 2002, except as provided for in §63.6(i).

* * *

(2) The owner or operator of an affected major source, the construction or reconstruction of which commences on or after February 6, 1998, shall achieve compliance with the applicable provisions of this subpart immediately upon initial startup or June 17, 1999, whichever date is later.* * *

(3) The owner or operator of an affected area source, located in an Urban-1 county, as defined in §63.761, the construction or reconstruction of which commences before February 6, 1998, shall achieve compliance with the provisions of this subpart no later than the dates specified in paragraphs (f)(3)(i) or (ii) of this section, except as provided for in §63.6(i).

(i) If the affected area source is located within any UA plus offset and UC boundary, as defined in §63.761, the

compliance date is [INSERT DATE 3 YEARS AFTER DATE OF PUBLICATION].

(ii) If the affected area source is not located within any UA plus offset and UC boundary, as defined in §63.761, the compliance date is [INSERT DATE 2 YEARS AFTER DATE OF PUBLICATION].

(4) The owner or operator of an affected area source, located in an Urban-1 county, as defined in §63.761, the construction or reconstruction of which commences on or after February 6, 1998, shall achieve compliance with the provisions of this subpart immediately upon initial startup or [INSERT DATE OF PUBLICATION], whichever date is later.

(5) The owner or operator of an affected area source that is not located in an Urban-1 county, as defined in §63.761, the construction or reconstruction of which commences before July 8, 2005, shall achieve compliance with the provisions of this subpart no later than the dates specified in paragraphs (f)(5)(i) or (ii) of this section, except as provided for in §63.6(i).

(i) If the affected area source is located within any UA plus offset and UC boundary, as defined in §63.761, the compliance date is [INSERT DATE 3 YEARS AFTER DATE OF PUBLICATION].

(ii) If the affected area source is not located within any UA plus offset and UC boundary, as defined in §63.761, the compliance date is [INSERT DATE 2 YEARS AFTER DATE OF PUBLICATION].

(6) The owner or operator of an affected area source that is not located in an Urban-1 county, as defined in §63.761, the construction or reconstruction of which commences on or after July 8, 2005, shall achieve compliance with the provisions of this subpart immediately upon initial startup or [INSERT DATE OF PUBLICATION], whichever date is later.

* * * * *

(g) The following provides owners or operators of an affected source at a major source with information on overlap of this subpart with other regulations for equipment leaks. The owner or operator of an affected source at a major source shall document that they are complying with other regulations by keeping the records specified in §63.774(b)(9).

* * * * *

(h) * * * Unless otherwise required by law, the owner or operator of an area source subject to the provisions of this subpart is exempt from the permitting

requirements established by 40 CFR part 70 or 40 CFR part 71.

4. Section 63.761 is amended by adding, in alphabetical order, the definitions of “UA plus offset and UC,” "Urban-1 County," "urbanized area," and "urban cluster" to read as follows:

**§63.761 Definitions**.

* * * * *

UA plus offset and UC is defined as the area occupied by each urbanized area, each urban cluster that contains at least 10,000 people, and the area located two miles or less from each urbanized area boundary.

Urban-1 County is defined as a county that contains a part of a Metropolitan Statistical Area with a population greater than 250,000, based on the Office of Management and Budget’s Standards for defining Metropolitan and Micropolitan Statistical Areas (December 27, 2000), and Census 2000 Data released by the U.S. Census Bureau.

Urbanized area refers to Census 2000 Urbanized Area, which is defined in the Urban Area Criteria for Census 2000 (March 15, 2002). Essentially, an urbanized area consists of densely settled territory with a population of at least 50,000 people.

Urban cluster refers to a Census 2000 Urban Cluster, which is defined in the Urban Area Criteria for Census 2000 (March 15, 2002). Essentially, an urban cluster consists of densely settled territory with at least 2,500 people but fewer than 50,000 people.

* * * * *

5. Section 63.762 is amended by revising paragraph (e) to read as follows:

**§63.762 Startups, shutdowns, and malfunctions**.

* * * * *

(e) Owners or operators are not required to prepare a startup, shutdown, and malfunction plan for any facility where all of the affected sources meet the exemption criteria specified in §63.764(e), or for any facility that is not located within a UA plus offset and UC boundary.

6. Section 63.764 is amended by adding paragraph (d) and by revising paragraph (e)(1) introductory text to read as follows:

**§63.764 General standards**.

* * * * *

(d) Except as specified in paragraph (e)(1) of this section, the owner or operator of an affected source located at an existing or new area source of HAP emissions

shall comply with the applicable standards specified in paragraph (d) of this section.

(1) Each owner or operator of an area source located within an UA plus offset and UC boundary (as defined in §63.761) shall comply with the provisions specified in paragraphs (d)(1)(i) through (iii) of this section.

(i) The control requirements for glycol dehydration unit process vents specified in §63.765;

(ii) The monitoring requirements specified in §63.773; and

(iii) The recordkeeping and reporting requirements specified in §§63.774 and 63.775.

(2) Each owner or operator of an area source not located in a UA plus offset and UC boundary (as defined in §63.761) shall comply with paragraphs (d)(2)(i) through (iii) of this section.

(i) Determine the optimum glycol circulation rate using the following equation:

$$L_{OPT} = 1.15 * 3.0 \frac{gal\,TEG}{lb\,H_2O} * \left( \frac{F * (I - O)}{24\,hr/day} \right)$$

Where:

$L_{OPT}$ = Optimal circulation rate, gal/hr.
F = Gas flowrate (MMSCF/D).
I = Inlet water content (lb/MMSCF).
O = Outlet water content (lb/MMSCF).
3.0 = The industry accepted rule of thumb for a

TEG-to water ratio (gal TEG/lb $H_2O$).
1.15 = Adjustment factor included for a margin of safety.

(ii) Operate the TEG dehydration unit such that the actual glycol circulation rate does not exceed the optimum glycol circulation rate determined in accordance with paragraph (d)(2)(i) of this section. If the TEG dehydration unit is unable to meet the sales gas specification for moisture content using the glycol circulation rate determined in accordance with paragraph (d)(2)(i), the owner or operator must calculate an alternate circulation rate using GRI-GLYCalc™, Version 3.0 or higher. The owner or operator must document why the TEG dehydration unit must be operated using the alternate circulation rate and submit this documentation with the initial notification in accordance with §63.775(c)(7).

(iii) Maintain a record of the determination specified in paragraph (d)(2)(ii) in accordance with the requirements in §63.774(f) and submit the Initial Notification in accordance with the requirements in §63.775(c)(7). If operating conditions change and a modification to the optimum glycol circulation rate is required, the owner or operator shall prepare a new determination in accordance with paragraph (d)(2)(i) or

(ii) of this section and submit the information specified under §63.775(c)(7)(ii) through (v).

* * * * *

(e) * * *

(1) The owner or operator is exempt from the requirements of paragraph (c)(1) and (d) of this section if the criteria listed in paragraph (e)(1)(i) or (ii) of this section are met, except that the records of the determination of these criteria must be maintained as required in §63.774(d)(1).

* * * * *

7. Section 63.765 is amended by revising paragraph (a) to read as follows:

**§63.765 Glycol dehydration unit process vent standards**.

(a) This section applies to each glycol dehydration unit subject to this subpart with an actual annual average natural gas flowrate equal to or greater than 85 thousand standard cubic meters per day and with actual average benzene glycol dehydration unit process vent emissions equal to or greater than 0.90 megagrams per year, that must be controlled for HAP emissions as specified in either paragraph (c)(1)(i) or paragraph (d)(1)(i) of §63.764.

* * * * *

8. Section 63.772 is amended as follows:

a. By revising paragraph (a)(1);

b. By revising the first sentence of paragraph (b)(2)(ii);

c. By revising paragraph (e)(3)(iii) introductory text;

d. By revising paragraph (e)(3)(iii)(B)(2); and

e. By revising the first and second sentences of paragraph (e)(3)(iv) introductory text.

**§63.772 Test methods, compliance procedures, and compliance demonstrations**.

(a) * * *

(1) For a piece of ancillary equipment and compressors to be considered not in VHAP service, it must be determined that the percent VHAP content can be reasonably expected never to exceed 10.0 percent by weight. For the purposes of determining the percent VHAP content of the process fluid that is contained in or contacts a piece of ancillary equipment or compressor you shall use the method in either paragraph (a)(1)(i) or paragraph (a)(1)(ii) of this section.

(i) Method 18 of 40 CFR part 60, appendix A, or

(ii) ASTM D6420-99 (2004), Standard Test Method for Determination of Gaseous Organic Compounds by Direct Interface Gas Chromatography-Mass Spectrometry

(incorporated by reference—see §63.14), provided that the provisions of paragraphs (a)(1)(ii)(A) through (D) of this section are followed:

(A) The target compound(s) are those listed in section 1.1 of ASTM D6420-99 (2004);

(B) The target concentration is between 150 parts per billion by volume and 100 parts per million by volume;

(C) For target compound(s) not listed in Table 1.1 of ASTM D6420-99 (2004), but potentially detected by mass spectrometry, the additional system continuing calibration check after each run, as detailed in section 10.5.3 of ASTM D6420-99 (2004), is conducted, met, documented, and submitted with the data report, even if there is no moisture condenser used or the compound is not considered water soluble; and

(D) For target compound(s) not listed in Table 1.1 of ASTM D6420-99 (2004), and not amenable to detection by mass spectrometry, ASTM D6420-99 (2004) may not be used.

* * * * *

(b) * * *

(2) * * * (ii) The owner or operator shall determine an average mass rate of benzene emissions in kilograms per hour through direct measurement using the

methods in §63.772(a)(1)(i) or (ii), or an alternative method according to §63.7(f). * * *

* * * * *

(e) * * *

(3) * * *

(iii) To determine compliance with the control device percent reduction performance requirement in §63.771(d)(1)(i)(A), (d)(1)(ii), and (e)(3)(ii), the owner or operator shall use one of the following methods: Method 18, 40 CFR part 60, appendix A; Method 25A, 40 CFR part 60, appendix A; ASTM D6420-99 (2004), as specified in §63.772(a)(1)(ii); or any other method or data that have been validated according to the applicable procedures in Method 301, 40 CFR part 63, appendix A. The following procedures shall be used to calculate percent reduction efficiency:

* * * * *

(B) * * *

(2) When the TOC mass rate is calculated, all organic compounds (minus methane and ethane) measured by Method 18, 40 CFR part 60, appendix A, or Method 25A, 40 CFR part 60, appendix A, or ASTM D6420-99 (2004) as specified in §63.772(a)(1)(ii), shall be summed using the equations in paragraph (e)(3)(iii)(B)(1) of this section.

*  *  *  *  *

(iv) To determine compliance with the enclosed combustion device total HAP concentration limit specified in §63.771(d)(1)(i)(B), the owner or operator shall use one of the following methods to measure either TOC (minus methane and ethane) or total HAP: Method 18, 40 CFR part 60, appendix A; Method 25A, 40 CFR part 60, appendix A; ASTM D6420-99 (2004), as specified in §63.772(a)(1)(ii), or any other method or data that have been validated according to Method 301 of appendix A of this part. *  *  *

*  *  *  *  *

9. Section 63.774 is amended as follows:

a. By revising paragraph (b) introductory text;

b. By revising paragraph (d)(1) introductory text; and

c. By adding paragraph (f).

**§63.774 Recordkeeping requirements**.

*  *  *  *  *

(b) Except as specified in paragraphs (c),(d), and (f) of this section, each owner or operator of a facility subject to this subpart shall maintain the records specified in paragraphs (b)(1) through (11) of this section:

*  *  *  *  *

(d) (1) An owner or operator of a glycol dehydration unit that meets the exemption criteria in §63.764(e)(1)(i) or §63.764(e)(1)(ii) shall maintain the records specified in paragraph (d)(1)(i) or paragraph (d)(1)(ii) of this section, as appropriate, for that glycol dehydration unit.

* * * * *

(f) The owner or operator of an area source not located within a UA plus offset and UC boundary must keep a record of the calculation used to determine the optimum glycol circulation rate in accordance with §63.764(d)(2)(i) or §63.764(d)(2)(ii), as applicable.

10. Section 63.775 is amended as follows:

a. By adding paragraph (c);

b. By revising paragraph (e) introductory text; and

c. By adding paragraph (e)(3).

**§63.775 Reporting requirements**.

* * * * *

(c) Except as provided in paragraph (c)(8), each owner or operator of an area source subject to this subpart shall submit the information listed in paragraph (c)(1) of this section. If the source is located within a UA plus offset and UC boundary, the owner or operator shall also submit the information listed in paragraphs (c)(2) through (6) of this section. If the source is not located within

any UA plus offset and UC boundaries, the owner or operator shall also submit the information listed within paragraph (c)(7).

(1) The initial notifications required under §63.9(b)(2) not later than [INSERT DATE 1 YEAR FROM DATE OF PUBLICATION]. In addition to submitting your initial notification to the addressees specified under §63.9(a), you must also submit a copy of the initial notification to EPA's Office of Air Quality Planning and Standards. Send your notification via e-mail to *CCG-ONG@EPA.GOV* or via U.S. mail or other mail delivery service to U.S. EPA, Sector Policies and Programs Division/Coatings and Chemicals Group (E143–01), Attn: Oil and Gas Project Leader, Research Triangle Park, NC 27711.

(2) The date of the performance evaluation as specified in §63.8(e)(2) if an owner or operator is required by the Administrator to conduct a performance evaluation for a continuous monitoring system.

(3) The planned date of a performance test at least 60 days before the test in accordance with §63.7(b). Unless requested by the Administrator, a site-specific test plan is not required by this subpart. If requested by the Administrator, the owner or operator must submit the site-specific test plan required by §63.7(c) with the

notification of the performance test. A separate notification of the performance test is not required if it is included in the initial notification submitted in accordance with paragraph (c)(1) of this section.

(4) A Notification of Compliance Status as described in paragraph (d) of this section;

(5) Periodic reports as described in paragraph (e)(3) of this section; and

(6) Startup, shutdown, and malfunction reports specified in §63.10(d)(5). Separate startup, shutdown, and malfunction reports as described in §63.10(d)(5) are not required if the information is included in the Periodic Report specified in paragraph (e) of this section.

(7) The information listed in paragraphs (c)(1)(i) through (v) of this section. This information shall be submitted with the initial notification.

(i) Documentation of the source’s location relative to the nearest UA plus offset and UC boundaries. This information shall include the latitude and longitude of the affected source; whether the source is located in an urban cluster with 10,000 people or more; the distance in miles to the nearest urbanized area boundary if the source is not located in an urban cluster with 10,000 people or more; and

the names of the nearest urban cluster with 10,000 people or more and nearest urbanized area.

(ii) Calculation of the optimum glycol circulation rate determined in accordance with §63.764(d)(2)(i).

(iii) If applicable, documentation of the alternate glycol circulation rate calculated using GRI-GLYCalc™, Version 3.0 or higher and documentation stating why the TEG dehydration unit must operate using the alternate glycol circulation rate.

(iv) The name of the manufacturer and the model number of the glycol circulation pump(s) in operation.

(v) Statement by a responsible official, with that official's name, title, and signature, certifying that the facility will always operate the glycol dehydration unit using the optimum circulation rate determined in accordance with §63.764(d)(2)(i) or §63.764(d)(2)(ii), as applicable.

(8) An owner or operator of a TEG dehydration unit located at an area source that meets the criteria in §63.764(e)(1)(i) or §63.764(e)(1)(ii) is exempt from the reporting requirements for area sources in paragraphs (c)(1) through (7) of this paragraph, for that unit.

* * * * *

(e) Periodic Reports. An owner or operator of a major source shall prepare Periodic Reports in accordance

with paragraphs (e) (1) and (2) of this section and submit them to the Administrator. An owner or operator of an area source shall prepare Periodic Reports in accordance with paragraph (e)(3) of this section and submit them to the Administrator.

* * * * *

(3) An owner or operator of an area source located inside a UA plus offset and UC boundary shall prepare and submit Periodic Reports in accordance with paragraphs (e)(3)(i) through (iii) of this section.

(i) Periodic reports must be submitted on an annual basis. The first reporting period shall cover the period beginning on the date the Notification of Compliance Status Report is due and ending on December 31. The report shall be submitted within 30 days after the end of the reporting period.

(ii) Subsequent reporting periods begin every January 1 and end on December 31. Subsequent reports shall be submitted within 30 days following the end of the reporting period.

(iii) The periodic reports must contain the information included in paragraph (e)(2) of this section.

* * * * *

11. In the Appendix revise Table 2 of subpart HH of part 63 to read as follows:

Appendix to Subpart HH of Part 63--Tables

* * * * *

TABLE 2 TO SUBPART HH OF PART 63-—APPLICABILITY OF 40 CFR PART 63 GENERAL PROVISIONS TO SUBPART HH

| General Provisions Reference | Applicable to subpart HH | Explanation |
|---|---|---|
| §63.1(a)(1)..... | Yes | |
| §63.1(a)(2)..... | Yes | |
| §63.1(a)(3)..... | Yes | |
| §63.1(a)(4)..... | Yes | |
| §63.1(a)(5)..... | No..... | Section reserved. |
| §63.1(a)(6).... .. | Yes | |
| §63.1(a)(7) through (a)(9). .. | No..... | Section reserved. |
| §63.1(a)(10)..... | Yes | |
| §63.1(a)(11)..... | Yes | |
| §63.1(a)(12)... .. | Yes | |
| §63.1(b)(1)..... | No..... | Subpart HH specifies applicability. |
| §63.1(b)(2)..... | No..... | Section reserved. |
| §63.1(b)(3)..... | Yes | |

| | | |
|---|---|---|
| §63.1(c)(1)..... | No..... | Subpart HH specifies applicability. |
| §63.1(c)(2)..... | Yes..... | Subpart HH exempts area sources from the requirement to obtain a title V permit unless otherwise required by law as specified in §63.760(h). |
| §63.1(c)(3) and (c)(4)..... | No..... | Section reserved. |
| §63.1(c)(5)..... | Yes | |
| §63.1(d)..... | No..... | Section reserved. |
| §63.1(e)..... | Yes | |
| §63.2..... | Yes | Except definition of major source is unique for this source category and there are additional definitions in subpart HH. |
| §63.3(a) through (c)..... | Yes | |
| §63.4(a)(1) through (a)(2). | Yes | |
| §63.4(a)(3) through (a)(5).... | No..... | Section reserved. |
| §63.4(b)..... | Yes | |
| §63.4(c)..... | Yes | |
| §63.5(a)(1)..... | Yes | |

§63.5(a)(2)..... Yes

§63.5(b)(1)..... Yes

§63.5(b)(2)..... No..... Section reserved.

§63.5(b)(3)..... Yes

§63.5(b)(4)..... Yes

§63.5(b)(5)..... No..... Section Reserved.

§63.5(b)(6)..... Yes

§63.5(c)..... No..... Section reserved.

§63.5(d)(1)..... Yes

§63.5(d)(2)..... Yes

§63.5(d)(3)..... Yes

§63.5(d)(4)..... Yes

§63.5(e)..... Yes

§63.5(f)(1)..... Yes

§63.5(f)(2)..... Yes

§63.6(a)..... Yes

§63.6(b)(1)..... Yes

§63.6(b)(2)..... Yes

§63.6(b)(3)..... Yes

§63.6(b)(4)..... Yes

| | | |
|---|---|---|
| §63.6(b)(5)..... | Yes | |
| §63.6(b)(6)..... | No..... | Section reserved. |
| §63.6(b)(7)..... | Yes | |
| §63.6(c)(1)..... | Yes | |
| §63.6(c)(2)..... | Yes | |
| §63.6(c)(3) through (c)(4).... | No..... | Section reserved. |
| §63.6(c)(5)..... | Yes | |
| §63.6(d)..... | No..... | Section reserved. |
| §63.6(e)..... | Yes | |
| §63.6(e)(1)(i).... | No..... | Except as otherwise specified. Addressed in §63.762. |
| §63.6(e)(1)(ii)... | Yes | |
| §63.6(e)(1)(iii).. | Yes | |
| §63.6(e)(2)..... | No..... | Section reserved. |
| §63.6(e)(3)(i).... | Yes..... | Sources exempt under §63.764(e) and sources located outside UA plus offset and UC boundaries are not required to develop startup, shutdown, and malfunction plans as stated in §63.762(e). |

| | | |
|---|---|---|
| §63.6(e)(3)(i)(A). | No..... | Except as otherwise specified. Addressed in §63.762(c). |
| §63.6(e)(3)(i)(B). | Yes | |
| §63.6(e)(3)(i)(C). | Yes | |
| §63.6(e)(3)(ii)... | No..... | Section reserved. |
| §63.6(e)(3)(iii) through (3)(vi)... | Yes | |
| §63.6(e)(3)(vii).. | Yes | |
| §63.6(e)(3)(vii) (A)..... | Yes | |
| §63.6(e)(3)(vii) (B)..... | Yes..... | Except that the plan must provide for operation in compliance with §63.762(c). |
| §63.6(e)(3)(viii) through (ix)..... | Yes | |
| §63.6(f)(1)..... | Yes | |
| §63.6(f)(2)..... | Yes | |
| §63.6(f)(3)..... | Yes | |
| §63.6(g)..... | Yes | |
| §63.6(h)..... | No..... | Subpart HH does not contain opacity or visible emission standards. |

| | | |
|---|---|---|
| §63.6(i)(1) through (i)(14)..... | Yes | |
| §63.6(i)(15)..... | No..... | Section reserved. |
| §63.6(i)(16)..... | Yes | |
| §63.6(j)..... | Yes | |
| §63.7(a)(1)..... | Yes | |
| §63.7(a)(2)..... | Yes..... | But the performance test results must be submitted within 180 days after the compliance date. |
| §63.7(a)(3)..... | Yes | |
| §63.7(b)..... | Yes | |
| §63.7(c)..... | Yes | |
| §63.7(d)..... | Yes | |
| §63.7(e)(1)..... | Yes | |
| §63.7(e)(2)..... | Yes | |
| §63.7(e)(3)..... | Yes | |
| §63.7(e)(4)..... | Yes | |
| §63.7(f)..... | Yes | |
| §63.7(g)..... | Yes | |
| §63.7(h)..... | Yes | |

| | | |
|---|---|---|
| §63.8(a)(1)..... | Yes | |
| §63.8(a)(2)..... | Yes | |
| §63.8(a)(3)..... | No..... | Section reserved. |
| §63.8(a)(4)..... | Yes | |
| §63.8(b)(1)..... | Yes | |
| §63.8(b)(2)..... | Yes | |
| §63.8(b)(3)..... | Yes | |
| §63.8(c)(1)..... | Yes | |
| §63.8(c)(2)..... | Yes | |
| §63.8(c)(3)..... | Yes | |
| §63.8(c)(4)..... | Yes | |
| §63.8(c)(4)(i).... | No..... | Subpart HH does not require continuous opacity monitors. |
| §63.8(c)(4)(ii)... | Yes | |
| §63.8(c)(5) through (c)(8)..... | Yes | |
| §63.8(d)..... | Yes | |

| | | |
|---|---|---|
| §63.8(e)..... | Yes..... | Subpart HH does not specifically require continuous emissions monitor performance evaluation, however, the Administrator can request that one be conducted. |
| §63.8(f)(1) through (f)(5)..... | Yes | |
| §63.8(f)(6)..... | Yes | |
| §63.8(g)..... | No..... | Subpart HH specifies continuous monitoring system data reduction requirements. |
| §63.9(a)..... | Yes | |
| §63.9(b)(1)..... | Yes | |
| §63.9(b)(2)..... | Yes..... | Existing sources are given 1 year (rather than 120 days) to submit this notification. Major and area sources that meet §63.764(e) do not have to submit initial notifications. |
| §63.9(b)(3)..... | No..... | Section reserved. |
| §63.9(b)(4)..... | Yes | |
| §63.9(b)(5)..... | Yes | |
| §63.9(c)..... | Yes | |

| | | |
|---|---|---|
| §63.9(d)..... | Yes | |
| §63.9(e)..... | Yes | |
| §63.9(f)..... | No..... | Subpart HH does not have opacity or visible emission standards. |
| §63.9(g)(1)..... | Yes | |
| §63.9(g)(2)..... | No..... | Subpart HH does not have opacity or visible emission standards. |
| §63.9(g)(3)..... | Yes | |
| §63.9(h)(1) through (h)(3).... | Yes..... | Area sources located outside UA plus offset and UC boundaries are not required to submit notifications of compliance status. |
| §63.9(h)(4)..... | No..... | Section reserved. |
| §63.9(h)(5) through (h)(6).... | Yes | |
| §63.9(i)..... | Yes | |
| §63.9(j)..... | Yes | |
| §63.10(a)..... | Yes | |
| §63.10(b)(1)..... | Yes..... | §63.774(b)(1) requires sources to maintain the most recent 12 months of data on site and allows offsite storage for the remaining 4 years of data. |

| | | |
|---|---|---|
| §63.10(b)(2)..... | Yes | |
| §63.10(b)(3)..... | Yes..... | §63.774(b)(1) requires sources to maintain the most recent 12 months of data on site and allows offsite storage for the remaining 4 years of data. |
| §63.10(c)(1)..... | Yes | |
| §63.10(c)(2) through (c)(4).... | No..... | Sections reserved. |
| §63.10(c)(5) through (c)(8).... | Yes | |
| §63.10(c)(9)..... | No..... | Section reserved. |
| §63.10(c)(10) through(c)(15).... | Yes | |
| §63.10(d)(1)..... | Yes | |
| §63.10(d)(2)..... | Yes..... | Area sources located outside UA plus offset and UC boundaries do not have to submit performance test reports. |
| §63.10(d)(3)..... | Yes | |
| §63.10(d)(4)..... | Yes | |

| | | |
|---|---|---|
| §63.10(d)(5)(i)... | Yes..... | Subpart HH requires major sources to submit a startup, shutdown, and malfunction report semi-annually. Area sources located within UA plus offset and UC boundaries are required to submit startup, shutdown, and malfunction reports annually. Area sources located outside UA plus offset and UC boundaries are not required to submit startup, shutdown, and malfunction reports. |
| §63.10(e)(1)..... | Yes..... | Area sources located outside UA plus offset and UC boundaries are not required to submit reports. |
| §63.10(e)(2)..... | Yes..... | Area sources located outside UA plus offset and UC boundaries are not required to submit reports. |
| §63.10(e)(3)(i)... | Yes..... | Subpart HH requires major sources to submit Periodic Reports semi-annually. Area sources are required to submit Periodic Reports annually. Area sources located outside UA plus offset and UC boundaries are not required to submit reports. |

| | | |
|---|---|---|
| §63.10(e)(3)(i)(A) | Yes | |
| §63.10(e)(3)(i)(B) | Yes | |
| §63.10(e)(3)(i)(C) | No | Section reserved. |
| §63.10(e)(3)(ii) through (viii) | Yes | |
| §63.10(f) | Yes | |
| §63.11(a) and (b) | Yes | |
| §63.12(a) through (c) | Yes | |
| §63.13(a) through (c) | Yes | |
| §63.14(a) and (b) | Yes | |
| §63.15(a) and (b) | Yes | |
| §63.16 | Yes | |