State of California
AIR RESOURCES BOARD

SUBMISSION OF CALIFORNIA'S GREENHOUSE GAS EMISSION STANDARDS FOR CRUDE OIL AND NATURAL GAS FACILITIES INTO THE CALIFORNIA STATE IMPLEMENTATION PLAN

Resolution 18-44

October 25, 2018

Agenda Item No.: 18-8-2

WHEREAS, the Legislature in Health and Safety Code section 39602 has designated the State Air Resources Board (CARB or Board) as the air pollution control agency for all purposes set forth in federal law;

WHEREAS, sections 39600 and 39601 of the Health and Safety Code authorize CARB to adopt standards, rules and regulations and to do such acts as may be necessary for the proper execution of the powers and duties granted to and imposed upon the Board by law;

WHEREAS, CARB is responsible for preparing the State Implementation Plan (SIP) for attaining and maintaining the national ambient air quality standards (NAAQS) as required by the federal Clean Air Act (Act) (42 U.S.C. section 7401 *et seq.*), and to this end is directed by Health and Safety Code section 39602 to coordinate the activities of all local and regional air pollution control and air quality management districts (districts) necessary to comply with the Act;

WHEREAS, section 39602 of the Health and Safety Code also provides that the SIP shall include only those provisions necessary to meet the requirements of the Act;

WHEREAS, sections 39515 and 39516 of the Health and Safety Code provide that any power, duty, purpose, function, or jurisdiction of the Board may be delegated to the Board's Executive Officer as the Board deems appropriate;

WHEREAS, on March 23, 2017, the Board adopted California's Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities (the regulation) for owners and operators of crude oil and natural gas facilities as set forth in title 17, California Code of Regulations (CCR), sections 95665 to 95677, and the documents incorporated by reference therein;

WHEREAS, the Office of Administrative Law on July 17, 2017, approved title 17, CCR, sections 95665 to 95677, and the documents incorporated by reference therein;

WHEREAS, reducing methane emissions from the oil and gas sector also reduces emissions of volatile organic compounds (VOCs) and toxic air contaminants, and can be designed consistently with efforts to control other air pollutants, including nitrogen oxides and particulate matter, via well-designed control strategies;

WHEREAS, staff estimates that the regulation has the co-benefit of reducing VOC emissions by thousands of tons each year and also reduces emissions of toxic air contaminants and, for these and other reasons, complements and does not interfere with, efforts to achieve and maintain federal and state ambient air quality standards and reduces toxic air contaminants;

WHEREAS, section 172(c)(1) of the Act requires implementation of Reasonably Available Control Technology (RACT) for ozone nonattainment areas classified as moderate or above;

WHEREAS, as part of assessing RACT, states are required to review United States Environmental Protection Agency (U.S. EPA) published Control Techniques Guidelines (CTG) that establish RACT limits for specific categories of sources;

WHEREAS, California is required to satisfy the level of control outlined in the U.S. EPA CTG entitled, *Control Techniques Guidelines for the Oil and Natural Gas Industry* to meet RACT requirements;

WHEREAS, the regulation, in combination with local air district rules that were previously incorporated into the California SIP, achieves an equivalent or greater level of control than the RACT requirements of the CTG;

WHEREAS, CARB needs to incorporate the regulation into the California SIP to meet RACT requirements;

WHEREAS, section 110(l) of the Act and title 40, Code of Federal Regulations (CFR), section 51.102 requires that one or more public hearings, preceded by at least a 30-day notice and opportunity for public review, must be conducted prior to the adoption and submittal to U.S. EPA of any SIP revision;

WHEREAS, as required by the Act, the Proposed Submission of California's Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities into the California State Implementation Plan (Oil and Gas SIP Submittal) was made available on September 21, 2018, for public review, at least 30 days prior to the hearing date;

WHEREAS, CARB's regulatory program that involves the adoption, approval, amendment, or repeal of standards, rules, regulations, or plans has been certified by the Secretary for Natural Resources under Public Resources Code section 21080.5 of the California Environmental Quality Act (CEQA; California Code of Regulations, title 14, section 15251(d)), and CARB conducts its CEQA review according to this certified program (California Code of Regulations, title 17, sections 60000-60007);

WHEREAS, staff has determined that the proposed action is not a "project" subject to CEQA because CARB's submittal of the Oil and Gas Methane Regulation to U.S. EPA as a revision to the California SIP simply acknowledges requirements that are already binding and enforceable; CARB's approval and submission of these requirements to U.S. EPA does not revise these requirements, and would thus not cause a substantial change to the environment requiring additional environmental review;

WHEREAS, staff has further determined that the proposed action is exempt from CEQA under California Code of Regulations, title 14, section 15061(b)(3) ("common sense" exemption) because the record evidence shows with certainty that there is no possibility that the proposed activity may result in a significant adverse impact on the environment, as described in Chapter III of the Staff Report; and

WHEREAS, the Board finds that:

1. The Oil and Gas SIP Submittal and other appropriate supporting documentation provides the necessary documentation for U.S. EPA to approve it as an amendment to the California SIP;

2. The Oil and Gas SIP Submittal meets the applicable requirements established by the Act;

3. The Oil and Gas SIP Submittal is exempt from CEQA under California Code of Regulations, title 14, section 15061(b)(3) because substantial evidence in the record shows with certainty that there is no possibility that the proposal may result in a significant adverse impact on the environment; and

4. The Oil and Gas SIP Submittal is not a "project" subject to CEQA.

NOW, THEREFORE, BE IT RESOLVED that the Board directs staff to submit the California Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities and other appropriate supporting documentation to U.S. EPA for inclusion into the California SIP.

BE IT FURTHER RESOLVED that the Board directs the Executive Officer to work with U.S. EPA and take appropriate action to resolve any completeness or approvability issues that may arise regarding the SIP submittal.

BE IT FURTHER RESOLVED that the Board authorizes the Executive Officer to include in the SIP submittal any technical corrections, clarifications, or additions that may be necessary to secure U.S. EPA approval.

BE IT FURTHER RESOLVED that the Board hereby certifies pursuant to 40 CFR, section 51.102, that the Oil and Gas SIP Submittal was adopted after notice and public hearing as required by 40 CFR, section 51.10.

BE IT FURTHER RESOLVED that the Board hereby adopts a revision to the California SIP that includes the California Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities.

I hereby certify that the above is a true and correct copy of Resolution 18-44 as adopted by the California Air Resources Board.

Cristina Granados, Clerk of the Board

Resolution 18-44

October 25, 2018

Identification of Attachments to the Board Resolution

Attachment A*: Proposed Submission of California's Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities into the California State Implementation Plan, released September 21, 2018.

*Attachment A is NOT attached to the proposed resolution; it is simply described on this page.