

One Future Methane & Climate Strategies Event

Policy – Colorado Methane Emission Regulations
Colorado Oil & Gas Association
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COLORADO
OIL & GAS
ASSOCIATION

Colorado Oil & Gas Association (COGA)

- Founded 1984
- Nationally Recognized, Colorado Focus
- 300 Member Companies
 - Major and Independent Oil & Gas Companies
 - Service Companies
 - Mid-Stream Companies
 - Support Services

Statewide Hydrocarbon Emission Reduction Stakeholder (“SHER”) Process

- Air Quality Control Commission
- 2017 Control Techniques Guidelines Rule Implementation
- Statement of Basis and Purpose established a 2 year stakeholder process (1/2018-1/2020)
- Stakeholders are non-governmental organizations, local governments and oil and gas industry



Colorado Department
of Public Health
and Environment



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SHER Transmission Subgroup

- Model a performance based (“voluntary”) program modeled after One Future specific to transmission sector
 - Six Colorado Transmission companies
 - All on-board
 - Establishes an Oversight Committee of local governments, NGO’s and Industry representatives with CDPHE oversight
 - Oversight Committee Charter
 - Intensity Target protocol generation
 - Tiered – incentivized participation

SHER Transmission Subgroup

- Model a performance based (“voluntary”) program modeled after One Future specific to transmission sector
 - Establishes an Oversight “Steering” Committee of local governments, NGO’s and Industry representatives with CDPHE oversight
 - Best Management Practices
 - Tiered – Incentivized Participation
 - 6 Colorado Transmission Companies
 - Statewide Inventory
 - Statewide Emission Intensity Target
 - Annual Report & Air Commission Presentation
 - Leadership Incentive Program

SB 181: Sweeping and Comprehensive

- Local Control
 - Subjective Rules
 - Setbacks
- Unlimited Fees, Fines, Financial Assurance
- Statutory Pooling
- Health, Safety, Environment
- Oil & Gas Conservation Act
 - To Regulate & Protect
- COGCC
 - Removes Expertise – Engineering & Geology
 - Potential Permitting Moratoria
 - Up to Eleven Rulemakings



An Act

SENATE BILL 19-181

BY SENATOR(S) Fenberg and Foote, Court, Gonzales, Lee, Moreno, Story, Williams A., Winter;
also REPRESENTATIVE(S) Becker and Caraveo, Arndt, Benavidez, Bird, Buckner, Duran, Gonzales-Gutierrez, Gray, Herod, Hooton, Jackson, Jaquez Lewis, Kennedy, Kipp, Lontine, McCluskie, Melton, Michaelson Jenet, Mullica, Roberts, Singer, Sirota, Snyder, Sullivan, Tipper, Valdez A., Weissman.

CONCERNING ADDITIONAL PUBLIC WELFARE PROTECTIONS REGARDING THE CONDUCT OF OIL AND GAS OPERATIONS, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Be it enacted by the General Assembly of the State of Colorado:

SB 181: Air Quality

- Section 3:
 - Promulgate Emission Control Regulations to:

“Minimize emissions of methane and other hydrocarbons, volatile organic compounds, and oxides of nitrogen from oil and natural gas exploration and production facilities and natural gas facilities in the processing, gathering and boosting, **storage, and transmission segments of the natural gas supply chain.**”

Specifically –

- (A) A requirement that leak detection and repair inspections occur at all well production facilities on, at a minimum, a semiannual basis or that an alternative approved instrument monitoring method is in place pursuant to existing rules;
- (B) A requirement that owners and operators of oil and gas transmission pipelines and compressor stations must inspect and maintain equipment and pipelines on a regular basis

SB 181: Air Quality

- (A) A requirement that oil and natural gas operators **must install and operate continuous methane emissions monitors at facilities with large emissions potential**, at multi-well facilities, and at facilities in close proximity to occupied dwellings; and
- (B) A requirement to reduce emissions from pneumatic devices, the Commission shall consider requiring oil and gas operators, under appropriate circumstances, to use pneumatic devices that do not vent natural gas.

(II) The Commission may, by rule, phase in the requirement to comply with this subsection (10)(b) on the bases of production capability, type and age of oil and gas facility, and commercial availability of continuous monitoring equipment. If the Commission phases in the requirement to comply with this subsection (10)(b), it shall increase the required frequency of inspections at facilities that are subject to the phase-in until the facilities achieve continuous emission monitoring.

(c) Notwithstanding the grant of authority to the oil and gas conservation commission in Article 60 of Title 34, including specifically Section 34-60-105 (L), the Commission may regulate air pollution from oil and gas facilities listed in subsection (1)(a) of this section, including during pre-production activities, drilling and completion.

Program No Longer Voluntary

- Industry Trades engaged with NGO's and local governments to ensure interest and alignment on the program early on
- CDPHE sees this program with great potential to obtain actual emission reductions in a format flexible enough to allow innovative solutions.
- Exploring a framework that can be put into regulation and seeking agreement with NGO's, local governments and CDPHE.

Other Colorado Developments

- HB 19-1261 – Climate Action Plan to Reduce Pollution
 - At least a 26 percent reduction of 2005 levels by 2025
 - At least a 50 percent reduction of 2005 levels by 2030
 - At least a 90 percent reduction of 2005 levels by 2050
- SB19-96 – Collect Long-Term Climate Change Data
 - AQCC To promulgate rules by June 1, 2020, requiring greenhouse gas-emitting entities to monitor and publicly report their emissions.
 - Add on to EPA Green House Gas Reporting Rules
- SB 19-236 – Continuation of the Public Utility Commission (CO PHMSA)
 - **Continues the PUC, but also requires Carbon Reduction Goals**
 - **80 percent reduction in Carbon Dioxide emission levels compared to 2005 levels by 2030**
 - **100 percent reduction in CO2 emission levels by 2050 and thereafter, if practicable, technically and economically feasible and in the public interest**

Questions?

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