

February 11, 2021

Submitted via www.reginfo.gov/public/do/PRAMain

SUBJECT: COMMENTS IN RESPONSE TO NOTICE OF INFORMATION COLLECTION POLLUTION PREVENTION AND CONTROL EMISSION INVENTORIES OMB CONTROL NUMBER: 1010-0057

The Offshore Operators Committee (OOC) is respectfully providing the attached comments on the above-captioned information collection request. Specifically, OOC is offering comments on the burden estimates and functionality of the Bureau of Ocean Energy Management's (BOEM) Air Quality System (AQS).

The OOC is an offshore energy trade association that serves as a technical advocate for companies operating on the US Outer-Continental Shelf (OCS). Founded in 1948, the OOC has evolved into the principal technical representative regarding regulation of offshore energy operations. The comments contained in this letter are submitted without prejudice to any of our members who may have differing or opposing views.

OOC responded to each of the following questions, as applicable, for each topic in the attached comments (see Sections A through E):

- 1. Is the collection necessary to the proper functions of BOEM?
- 2. What can BOEM do to ensure this information will be processed and used in a timely manner?
- 3. Is the estimate of burden accurate?
- 4. How might BOEM enhance the quality, utility, and clarity of the information to be collected?
- 5. How might BOEM minimize the burden of this collection on the respondents, including minimizing the burden through the use of information technology?

These comments are in addition to those provided on October 9, 2020 for a similar information collection request under OMB Control Number 1010-0057. In addition, these comments provide additional recommendations and suggestions based on BOEM's response to comments published in the *Federal Register*, Volume 86, Number 7, January 12, 2021.

OOC appreciates the efforts of BOEM to improve and modernize air emissions reporting for the offshore oil and gas industry. The new AQS has many positive attributes and features. All of the comments included here are intended as constructive feedback to further enhance and improve the reporting process, as well as to accurately assess the associated reporting burden.

If you have any questions or require additional information please contact me at greg@theooc.org.

Sincerely,

Ang Douthworth

Greg Southworth Associate Director Offshore Operators Committee

cc: (via email)

Anna Atkinson, BOEM Information Collection Officer Holli Ensz, Office of Environmental Programs, BOEM Margaret Metcalf, Office of Environment, BOEM Arie Kaller, Office of Environment, BOEM Michael Celata, Director, Gulf of Mexico Office, BOEM

A. Non-Platform Sources

OOC continues to offer clarification and recommendations on the types of non-platform sources that should be included in BOEM's OCS air emission inventories. In particular, the comments that follow seek further clarity regarding construction support vessels.

1) Is the collection necessary to the proper functions of BOEM?

No. The function of BOEM is defined under OCSLA, which only authorizes the Secretary to regulate air pollutants from "activities authorized" by OCSLA. The scope of BOEM's authority prevents it from directly regulating vessel emissions or attributing these emissions to OCS facilities if they are not attached either permanently or temporarily to the seabed.¹ First, under section 5(a)(8), BOEM cannot consider vessel emissions when determining whether "activities authorized under [OCSLA] significantly affect the air quality of [a] [s]tate" because vessels are not "activities authorized under [OCSLA]." This is true even though vessels are included in the plans submitted for BOEM approval, because BOEM does not approve, regulate, or otherwise authorize them for air quality purposes.² Second, section 4(a) of OCSLA further limits the Secretary's regulatory authority to "artificial islands and installations...permanently or temporarily attached to the seabed, which may be erected thereon for the purpose of exploring for, developing, or producing resources therefrom." 43 U.S.C. §1333(a). Construction vessels not attached to the seabed are clearly not "artificial islands . . . permanently or temporarily attached to the seabed" that are "exploring for, developing, or producing" oil and gas. The Supreme Court has made clear that "the purpose of [OCSLA] was to define a body of law applicable to the seabed, the subsoil, and the fixed structures . . . on the Outer Continental Shelf."³ The Supreme Court has noted that Congress' approach under OCSLA "was deliberately taken in lieu of treating the structures as vessels, to which admiralty law supplemented by the law of the jurisdiction of the vessel's owner would apply."4

The definition of a facility which is regulated by BOEM in 30 CFR 550.302 does not include construction support vessels "while conducting the construction," but rather encompasses only,

"any installation or device **permanently or temporarily attached to the seabed** which is used for exploration, development, and production activities for oil, gas, or sulphur and which emits or has the potential to emit any air pollutant from one or more sources. All equipment directly associated with the installation or device shall be considered part of a single facility if the equipment is dependent on, or affects the processes of, the installation or device. During

¹As particularly relevant here, Congress expressly excluded vessels from OCSLA's purview. See 43 U.S.C. § 1332 (1)-(2) ("the subsoil and seabed of the [OCS] appertain to the United States and are subject to its jurisdiction and control . . . [OCSLA] shall be construed in such a manner that the character of the waters above... [are] high seas, and the right to navigation . . . therein shall not be affected"); *id.* § 1333(a)(1) (extending the jurisdiction of the U.S., through OCSLA, to "such installation or other device (*other than a ship or vessel*) [attached to the seabed] for the purpose of transporting [oil and gas] resources") (emphasis added).

² See *REDOIL v. EPA*, 716 F.3d 1155 (9th Cir. 2013) (support vessels that are not "[p]ermanently or temporarily attached to the seabed," or "[p]hysically attached to an OCS facility," are not "regulated or authorized under [OCSLA]").

³ Rodrigue v. Aetna Cas. & Sur. Co., 395 U.S. 352, 355 (2014).

⁴ *Id.* (emphasis added).

production, multiple installations or devices will be considered to be a single facility if the installations or devices are directly related to the production of oil, gas, or sulphur at a single site. Any vessel used to transfer production from an offshore facility shall be considered part of the facility while physically attached to it."

Industry, therefore, contends that only emissions from vessels attached to the seabed would be within BOEM's jurisdiction to regulate under OCSLA. Emissions from construction vessels, such as flotels, barges used to transport equipment to the construction site, pipelay, and heavy lift vessels are not considered part of the "facility" as defined in 30 CFR 550.302 and 550.105 if they are not attached to the seabed nor are used to transfer production from an offshore facility. Further, construction vessels are not temporary facilities as defined in 30 CFR 550.302 if the vessels are not temporarily attached to the seabed. The definition of facility is consistent in both sections of the regulation and does not include construction vessels that do not meet one of these other criteria – attaching to the seabed, dependence or effect on the process, transferring production, or engaging in drilling or downhole operations.

The OCSLA legislative history supports the exclusion of vessel emissions from BOEM's regulatory authority. The Conference Report accompanying the 1978 OCSLA amendments only contemplates regulating emissions from OCS installations and platforms under section 5(a)(8), and does not indicate any concern for the emissions from vessels or anything other than "authorized" installations and platforms:

The conferees [sic] intent was that the regulations promulgated by the Secretary not generally require that the air mass above the OCS itself be brought into compliance with the [NAAQS] but that regulations might be appropriate for the air **above or near an artificial installation or other device (platform)**, so that emissions from such source is controlled to prevent a significant effect on the air quality of an adjacent onshore area.

1978 U.S.C.C.A.N. at 1684-1685 (emphasis added). Consistent with the jurisdictional scope of section 4(a) of OCSLA, the report does not consider assessing or controlling emissions from any source other than an installation or platform.

We note that the use of "construction" and "installation" (as a verb) is inconsistent with the regulatory language in BOEM's regulations. Construction of platforms is already incorporated in the "development" definition and any other OCSLA references to construction are narrow, indicating that BOEM does not have authority to expand the activities that are regulated such as the proposed guidance related to construction vessels "while conducting the construction." The term "installation" used in the definition of 40 CFR 550.302 is used as a noun referencing the structure or equipment attached to the sea floor rather than as a verb which may imply some relation to construction activities beyond any temporary or permanent attachment to the sea floor.

Although BOEM may desire the vessel emissions data from operators, it is not necessary, as multiple environmental studies and NEPA analyses provide ample information to use in decision making. BOEM should explicitly state emissions of vessels are not required unless attached to the seabed.

2) What can BOEM do to ensure this information will be processed and used in a timely manner?

BOEM can leverage data from sources previously used for this purpose as has been done historically rather than shift the burden to industry. With guidance being provided to the regulated community after commencement of the reporting period, available data may be limited until systems are implemented by industry to collect the requested data.

3) Is the estimate of burden accurate?

No. While reporting construction vessels may not be an altogether new burden for certain operators since, during the plan review process, some construction vessels are subject to a standard condition of approval which requires fuel throughput compliance verification to be sent to BSEE, BOEM has in its response (see January 12, 2021 *Federal* Register) recognized that not all operators are subject to such a provision. For operators who have not prepared a data gathering and reporting plan to capture these additional non-platform sources, this requirement may be a significant burden with some data for the early part of 2021 not being available because the emissions reporting year has already begun.

Based on the clarification in BOEM's response to comment (see January 12, 2021 *Federal Register*) that transiting vessels are clearly out of scope, OOC has updated Table 1 to reflect the estimated burden for construction vessels only:

Construction Vessels	Hours per vessel per occurrence	Estimate Comments		
Identification of construction vessels	2	Requires understanding of definition of construction vessel, communication with projects and/or field personnel to identify construction vessels being used. Assumes 2 persons for one hour discussion/data review.		
Gathering requested information about engines	4-8	Requires coordination with vessel owners to identify the required information about vessel engines. Time estimate may vary based on data availability. Assumes one hour discussion for 2 persons plus time to research and gather data based on previous experience.		
Tracking construction vessel movement and fuel usage	2-4	Vessel operator fuel tracking - estimate is based on vessel topping off fuel tank to calculate fuel usage.		
Summarizing and entering monthly fuel data for entry into AQS	1-2	AQS reporter will compile fuel usage data provided by various vessel owners/operators - includes time to compile data received and enter data into AQS.		
Total	9-16	Note that this total is for a single construction vessel for a single occurrence at a single site. Total hours for the reporting period could potentially require multiplication by the number of vessels used in the reporting year and/or to reflect multiple occurrences or sites.		

Table 1: Estimated Burden for Reporting Construction Vessels

Note that the estimates in Table 1 are for a single construction vessel at a single location. A construction campaign may use upwards of 3-4 vessels which would result in the actual burden being a multiple of the hours estimated in the table for a single operator.

Likewise, Table 2 representing the time estimate for a single drilling rig for the duration of the reporting year has also been updated to account for the clarification that drill rigs must only be reported when attached to the sea floor:

Drilling Rigs	Hours per drilling rig per year	Estimate Comments
Tracking drilling rig movement and fuel usage	15	Drilling rig operator fuel tracking - estimate is based on vessel topping off fuel tank to calculate fuel usage.
Summarizing and entering monthly fuel data for entry into AQS	72	AQS reporter will compile fuel usage data provided by various rig owners/operators - assumes 6 hours per month for compiling data and entering into AQS
Total	87	

Table 2: Estimated Burden for Reporting Drilling Rigs

It should be noted that BOEM has inaccurately assumed that a drill rig will be linked to a platform in its burden estimation. Drill rigs are often not associated with a specific platform when conducting exploration activities. In addition, oil and gas operators in most cases do not own or operate the drilling rigs. Therefore, there is an added layer of complexity in obtaining data that does not belong to the operator. We strongly believe that the hourly burden estimates are more accurately depicted as 87 hours per rig/platform as noted in Table 2.

4) How might BOEM enhance the quality, utility, and clarity of the information to be collected?

We recommend that BOEM provide additional guidance or clarity on what the agency considers to be a "construction vessel…while conducting the construction" within BOEM's scope of authority under OCSLA. Industry ascertains that only emissions from vessels attached to the seabed would be within BOEM's jurisdiction. The term "while conducting the construction" is vague and is not consistent with the definition of facility in 40 CFR 550.302. Further definition will allow the regulated community to identify the types of vessels to be included in reporting as those within BOEM's jurisdiction including only vessels which permanently or temporarily attach to the seabed.

5) How might BOEM minimize the burden of this collection on the respondents, including minimizing the burden through the use of information technology?

Historically, BOEM has collected vessel and drilling rig data from sources other than oil and gas operators for emission estimates as part of the GOM emissions inventory process. OOC recommends that BOEM continue to collect information from those sources, e.g., Automatic Identification System (AIS), for vessels beyond its jurisdiction. BOEM should not require data from operators for any vessel not attached to the sea floor.

B. Complexities of Reporting Flare Information

OOC appreciates the January 12, 2021 clarification regarding reporting flare sources and agrees that reporting one flare source per flare is appropriate. However, when the 2021 inventories were created in AQS, two separate emissions sources are listed – one for pilot and one for flaring. The emission unit for the pilot has no data requests and appears to be a duplicate source that will not be used since the emission unit for flaring includes data for the pilot stream.

1) How might BOEM minimize the burden of this collection on the respondents, including minimizing the burden through the use of information technology?

Additional guidance will be needed on how these emission sources in the 2021 AQS inventories should be handled. For facilities with two emission sources for each single flare that were carried over from 2017, BOEM should consolidate or remove these sources from all AQS 2021 inventories to reduce operator/user burden and to avoid unnecessary confusion and potential errors. Additionally, it should be noted that the data requests tab within the flare emission sources does not function or allow the user to input any data. This should also be corrected.

In BOEM's January 12, 2021 response, it was stated that the "specifications from the manufacturer for the smoke condition" should be used. OOC disagrees with requiring the use of specifications from the manufacturer for the smoke condition for two reasons. First, there is a significant burden associated with researching manufacturer's specifications for each flare to determine smoke condition. Second, since AQS is calculating actual emissions from flare stacks, the actual smoking condition should be entered into AQS. Specifications from the manufacturer would only potentially provide a design condition, and not an actual condition, although OOC recognizes also that monitoring actual smoke conditions is an additional burden not previously required. Therefore, it is recommended that BOEM allow the use of a default smoking condition to calculate emissions if actual and/or design condition are not available or recorded. Most modern flares are designed to be smokeless within design conditions. Industry recognizes that flares may smoke during upset conditions. Based on experience, upset conditions causing a flare to smoke are infrequent. Therefore, it is likely an overestimation to calculate all emissions using any smoking condition other than smokeless for the entire reporting period. However, in an effort to reduce the burden of developing a visual monitoring and recording system to capture the actual smoking condition at all times, using the "lightly smoking" condition should provide a result that is not an extreme over estimation.

2) Is the collection necessary to the proper functions of BOEM?

While OOC recognizes that collecting data specific to smoke condition to calculate accurate actual emissions is necessary, it does not agree that utilizing the specifications from the manufacturer to determine the smoke condition. If smoke condition could be identified using the manufacturer's specifications for the flare, this would be a design condition and not an actual operating condition and would result in inaccurate emissions.

3) How might BOEM enhance the quality, utility, and clarity of the information to be collected?

BOEM should withdraw the requirement to use specifications from the manufacturer to determine smoke condition. If it is determined that an actual smoke condition is to be utilized,

it remains unclear how the subjective "smoke" categories are defined. At a minimum, objective definitions would be necessary to clarify when a flare is considered to be in one of these smoking categories. EPA Methods 9 and 22, which are used for visible observation of flare opacity/smoking, do not use the terminology of "no, light, medium, or heavy" smoking as referenced by BOEM.

4) Is the estimate of burden accurate?

No. If level of smoking is necessary, operators may be required to have a representative responsible for watching the flare flame for the duration of the AQS reporting period to be able to provide accurate data. This representative may require training as well. Per EPA Method 22 for monitoring visible emissions from flares, at a minimum, the observer must be trained and knowledgeable regarding the effects of background contrast, ambient lighting, observer position relative to lighting, wind, and the presence of uncombined water (condensing water vapor) on the visibility of emissions to monitor flare smoking. Given the remote locations and extremely small footprint of an offshore facility, as compared to an onshore facility, an observer's ability to attain correct positioning would have an exceptionally low likelihood. A rough burden estimate for this detailed smoke quality data collection would exceed 430 hours per year per facility, assuming a representative is present during all flaring events and a facility flares for 25% of the BSEE-allowed flaring duration of 144 hours/month (30 CFR 250.1160(a)(6)(iii) and 7(iii)), excluding training, system development, and implementation.

5) How might BOEM minimize the burden of this collection on the respondents, including minimizing the burden through the use of information technology?

For the reasons discussed above, we strongly recommend that BOEM allow the calculation for flaring to be based on total flare volume and a default smoke condition.

C. 2021 Initial Inventory and Transfer of GOADS Data

Through communications with OOC member operators and their contractors, OOC is aware operators and their contractors are communicating with BOEM and their AQS development contractors to identify issues and concerns related to the new AQS operation and transition from GOADS to AQS. OOC appreciates BOEM providing feedback to operators on these issues and continuing dialogue as AQS progresses.

Through these communications, operators learned the equipment static data in AQS could be either BOEM default values or values previously entered by the operator. In responding to comments, BOEM indicated operators would still have to review the static data (transferred from GOADS to AQS) to ensure its accuracy. If equipment on an operator's facility was not changed from a prior reporting year and based on the assumption BOEM transferred the static data without issues, little burden is committed by operators to verifying static data they entered into the prior system. OOC is concerned static data review burden will increase with operators attempting to differentiate between default and operator-entered values in two systems (GOADS 2017 and AQS).

1) Is the collection necessary to the proper functions of BOEM?

Yes. Static and activity data for each emissions point is necessary to estimate air emissions and are used as inputs to BOEM's air quality modeling efforts.

2) How might BOEM enhance the quality, utility, and clarity of the information to be collected?

BOEM or their contractors could provide to operators or their contractors a list of static data for which default values were entered, versus those that were transferred over from the prior GOADS efforts.

3) Is the estimate of burden accurate?

No. Additional burden will be required to evaluate static data to differentiate between default and operator-entered values in two systems (GOADS 2017 and AQS).

4) How might BOEM minimize the burden of this collection on the respondents, including minimizing the burden through the use of information technology?

BOEM or their contractors could provide to operators or their contractors a list of static data for which default values were entered, versus those that were transferred over from the prior GOADS efforts.

D. Oil and Gas Operations Report (OGOR) Reconciliation

Regarding BOEM's January 12, 2021 response, "BOEM is uploading these reports into AQS to reconcile volumes vented and flared." OOC is concerned with, and is seeking additional clarification, on this statement. Specific to venting and flaring as reported in OGOR, the OOC would like to point out that OGOR reporting represents the disposition of the product produced, not total gas vented or flared. Additionally, OGOR-B volumes are reported by lease or unit agreement number and by operator. For these reasons and without knowledge of individual structure operations, it does not seem practical or even possible for BOEM to be able to attempt to reconcile this data without operator input.

Further clarification on OGOR reporting can be found in Chapter 5 (<u>https://www.onrr.gov/reportpay/Handbooks/pdfdocs/MPRH-Chapter-5.pdf</u>) and Appendix I (<u>https://www.onrr.gov/reportpay/Handbooks/pdfdocs/MPRH-Appendix-I.pdf</u>) of the *Minerals Production Reporter Handbook* published by the Office of Natural Resources Revenue (ONRR). Section 5.1 of this handbook states that:

- The OGOR-A accounts for all production and injection data on a lease/agreement by well and producing interval, including well status. The OGOR-A identifies the status and volumes for each well on a lease/agreement for which you are responsible.
- The OGOR-B accounts for the total disposition of lease/agreement production for each product produced on OGOR-A. Disposition may include direct sales, transfers, and lease/agreement use. This Chapter goes on to define the following fields as part of the OGOR-A report:
- Oil/Condensate (bbl) (9)

Enter the total production volume of oil/condensate in whole barrels (bbl), rounded accordingly (for example, 69.5 barrels is 70 barrels), by API well number producing interval. If the zone does not produce during the month, enter a zero or leave it blank.

For offshore, this volume includes formation production and any oil injected (for example, load oil and frac oil) and recovered during the reported period.

• Gas (Mcf) (9)

Enter the net volume of all formation gas excluding gas-lift gas, which includes any portion flared or used as fuel in thousand cubic feet (Mcf), for which royalty is due, by API well number producing interval. For offshore, this volume includes formation production and any gas injected and any load oil injected (for example, diesel used as load oil) and recovered during the reported period. Enter the Mcf according to the standard conditions specified in the BSEE regulations for offshore production.

Appendix I of this handbook defines the following disposition codes:

- 21-Flared Oil-Well Gas: Use this code to report flared casinghead gas from an oil well when deemed a non-royaltybearing volume by BLM or BSEE. (Products allowed: UNPROCESSED GAS)
- 22-Flared Gas-Well Gas: Use this code to report flared gas from a gas well when deemed a nonroyalty-bearing volume by BLM or BSEE. (Products allowed: UNPROCESSED GAS)
- 33-Flared Gas: Use this code to report flared gas when deemed a royalty-bearing volume by BLM or BSEE. (Products allowed: UNPROCESSED GAS, RESIDUE GAS)
- 61-Vented Oil-Well Gas: Use this code to report vented casinghead gas from an oil well when deemed a non-royalty-bearing volume by BLM or BSEE.
- 62-Vented Gas-Well Gas: Use this code to report vented gas from a gas well when deemed a nonroyalty-bearing volume by BLM or BSEE. (Products allowed: UNPROCESSED GAS)
- 63-Vented Gas: Use this code to report vented gas when deemed a royalty-bearing volume by BLM or BSEE. (Products allowed: UNPROCESSED GAS)

From this handbook, the volumes reported within the OGOR-B reports are the portions of **produced gas** vented or flared. These volumes are expected to be unprocessed or residue gas volumes and should not include additional gas volumes vented or flared through cold vents or flare stacks such as flash gas or lease use (i.e., process vessel flash gas, tank vapors, blanket gas, pneumatic device exhaust, etc.). For this reason, the total gas volumes reported in AQS for cold vents and flare stacks, which should be the basis of emissions, should not be

expected to be reconciled with volumes reported in OGOR-B. In addition to the reasons stated In OOC's October 2020 comments, it cannot be expected for these two volumes to match. Furthermore, since the volumes reported in AQS will not, and should not, match the OGOR data, there will not be "consistency" found when comparing the volumes reported within these reports.

1) Is the collection necessary to the proper functions of BOEM?

No. While OOC appreciates BOEM's efforts to ensure consistency in reporting, reconciling OGOR-B volumes with total volumes vented and flared as reported in AQS does not provide value or an adequate way to ensure that volumes reported to AQS are accurate. The end-result of the 2021 Emissions Inventory will yield actual emissions which should be based on actual volumes vented or flared. These volumes are **not** found in OGOR data.

2) What can BOEM do to ensure this information will be processed and used in a timely manner? How might BOEM enhance the quality, utility, and clarity of the information to be collected? How might BOEM minimize the burden of this collection on the respondents, including minimizing the burden through the use of information technology?

Eliminate the use of OGOR data for performing quality assurance on AQS data since the function of these two reports are not equivalent and cannot be compared. There are existing mechanisms in place to capture and account for all reported volumes. To enhance the quality of information collected, BOEM could issue additional guidance on properly capturing the corrected volume vented or flared, but neither the operator nor BOEM should rely on OGOR.

3) Is the estimate of burden accurate?

If BOEM will upload OGOR data to perform quality assurance checks after the completion of the 2021 effort, without knowledge of operations at each structure, significant additional burden will be placed on the operator to review BOEM's data and expand on why the volumes do not and will not reconcile.

E. Continuing the Implementation of BOEM's AQS

The members of the OOC appreciate BOEM's efforts to modernize emissions reporting for OCS oil and gas operations. By implementing AQS, BOEM is increasing efficiency and ease of reporting for OCS operators. In addition, OOC appreciates the opportunity to engage with BOEM throughout the development of AQS to provide feedback on the functionality of the system and assist in identifying potential errors or omissions. It is critical that these types of engagements continue as the regulated community and BOEM continue to work with AQS.

1) How might BOEM minimize the burden of this collection on the respondents, including minimizing the burden through the use of information technology?

OOC is proposing to collect observations and technical concerns from the regulated community, compile those observations and provide the feedback to BOEM on a quarterly basis as long as unresolved items require attention. We envision that virtual meetings would be an effective way to communicate industry's observations and engage in a two-way dialogue.

We propose to host the first of these continuing engagements in March 2021 so that BOEM can provide a detailed update on which technical issues identified in OOC's October 2020 comments:

- Have been corrected in AQS,
- Are undergoing correction (works in progress), and
- Will not be addressed/corrected.

It would be most advantageous to both industry and BOEM to clearly communicate the status of each technical issue including its resolution. By continuing to engage in ongoing dialogue, the regulated community will better understand the functionality and limitations of AQS, and BOEM will receive information from users on the system's effectiveness. Ultimately, this will benefit BOEM, the regulated community and the public with a more effective emissions reporting system.