



July 28, 2022

VIA EMAIL to kramamurth@state.pa.us

Krishnan Ramamurthy, Deputy Secretary, Waste, Air, Remediation and Radiation
Department of Environmental Protection
Rachel Carson State Office Building
12th Floor, P.O. Box 8468
Harrisburg, PA 17105

Re: Pennsylvania VOC/RACT regulation of conventional oil and gas operations

Dear Mr. Ramamurthy:

The captioned trade organizations represent individuals and businesses engaged in conventional oil and gas production in Pennsylvania. We understand the Department intends to undertake a separate rulemaking for the RACT requirements for sources of VOC emissions at Pennsylvania's conventional oil and gas facilities. We appreciate the intention to develop a separate rulemaking and assume that a proposed rulemaking will be developed according to procedures described under applicable law. As the Department proceeds with the development of its separate rulemaking, we would like to offer assistance that may be unique.

When the Department was advancing the combined rulemaking, for both conventional and unconventional facilities, the information in the Regulatory Analysis Form (RAF) provided to the Independent Regulatory Review Commission (IRRC) was derived from, and geared nearly exclusively to, unconventional gas facilities. The RAF did not inform our conventional oil and gas membership as to what conventional oil and gas facilities would be subject to the regulations, what the regulations would require, the costs of those requirements, and other matters fundamental to the operation of conventional oil and gas businesses in Pennsylvania.

The members of the three trade organizations would like to offer their assistance in the Department's undertaking. As you know, there are three types of conventional wells in Pennsylvania: oil, gas, and combined oil and gas. Each type has different configurations and therefore different potentials for VOC emissions. Our members are able and willing to assist the

Department in assessing those different potentials by making the different types of wells available for testing. Indeed, some of our members have undertaken VOC emissions testing and have results in hand. This existing and potential information will, of course, bear on the need for the regulation and provide data upon which a regulation may be based.

Our members are also able and willing to help the Department estimate the direct and indirect costs to the private sector. Labor costs have risen greatly in the past twelve months; material costs have risen even faster. Our members have up-to-date knowledge of those costs. In addition, the implementation of any new regulation will generate legal, accounting, consulting, reporting, and recordkeeping obligations. Our members can provide information as to how those obligations will specifically evolve in the conventional industry, and the direct and indirect costs thereof.

Many of the conventional oil and gas businesses that would be affected by a potential VOC emission regulation are small businesses. This is, of course, a marked difference from the considerations that were at play in the VOC emission rule developed for unconventional gas facilities, and our members are able and willing to provide data that will help inform the Department's obligation to identify the number of small businesses that will be affected, the professional skills necessary for compliance, and, in general, the probable effect on the small businesses. In addition, our members are creative problem solvers who can assist the Department in its obligation to examine less intrusive or less costly alternative methods of achieving the purposes for which the data shows need.

Our members can provide assistance in different manners. If the Department would like to interface with a series of individuals and businesses we can provide a list of our members who are prepared to assist as described above. Alternatively, we point to the resource of the Pennsylvania Grade Crude Development Advisory Council (CDAC). While the CDAC does not have a mandatory role in the development of any VOC emission rule relating to conventional oil and gas facilities, the CDAC charter includes the duty to explore the development of a regulatory scheme that provides for environmental oversight specifically applicable to the conventional oil and gas industry. This task is sufficiently broad to allow the CDAC to serve in the assistive role described above. We think it likely that the CDAC would enthusiastically and competently take

up such a project. For the convenience of the Department, the CDAC could serve as a single point of contact for the kind of cooperative effort envisioned in our offer.

We look forward to hearing back from you in what we envision to be a mutually beneficial process.

Sincerely,



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