AGENDA ITEM CONTROL SHEET

Item Title: Regulations Number 7 and Number 22

Meeting Date: September 17, 2021

TYPES OF ACTION

NON-HEARING ACTIONS	*REQUEST FOR HEARING*	*HEARING*
☐ Administrative	☑ Rulemaking	☐ Rulemaking
☐ Briefing	☐ Public	☐ Public
☐ Policy	☐ Adjudicatory	☐ Adjudicatory
☐ Other	☐ Informational	☐ Informational

Is this action a Rule Review? ☐ Yes ☑ No

RECOMMENDED ACTION

☐ Adoption ☑ Approval ☐ Denial

MOTION

☑ Required ☐ Attached ☐ Not Applicable

STATUTORY AUTHORITY

☐ General ☑ Specific

CRS § 25-7-102, -105, -106, -109, -140

EPA SUBMITTAL

Is this issue considered a SIP revision? Yes No

Which SIP?

EPA submission deadline:

Is this a delegated program? Yes No

ISSUE STATEMENT:

The Division is proposing revisions to Regulation Numbers 7 and 22 that continue to address the directives in § 25-7-109, C.R.S. as revised by Senate Bill (SB) 19-181 (Concerning Additional Public Welfare Protections Regarding the Conduct of Oil and Gas Operations). These revisions will also address the requirements established in SB 19-096 (Concerning the collection of greenhouse gas (GHG) emissions data), House Bill (HB) 19-1261 (Concerning the reduction of GHG pollution), and HB 21-1266 (Environmental Justice, Disproportionately Impacted Communities). The oil and gas (O&G) industry is a large source of GHG emissions, and the largest anthropogenic source of methane in Colorado. The Greenhouse Gas Pollution Reduction Roadmap (GHG Roadmap) prepared by the CDPHE and Colorado Energy Office with input from the public and other state agencies identifies economy sectors and their associated emissions to aid the state in establishing regulatory provisions to achieve the statutory GHG emissions reductions goals. In October 2020, the Commission further refined the state's goals for certain sectors, establishing a goal for the O&G Sector of the GHG Roadmap of 36% reduction by 2025 and 60% reduction by 2030. The Commission established a target for the O&G Sector of 13 million metric tons (MMT) CO2e by 2025 and 8 MMT CO2e by 2030. Commission targets for the sector including residential, commercial, and industrial combustion emissions (RCI Sector) include a 20% reduction by 2030. HB 21-1266 memorializes these goals in statute, and provides additional requirements for the rulemakings to achieve these goals.

To address legislative and policy directives, the Division is proposing revisions to Regulation Numbers 7 and 22 that: reduce emissions from the upstream and midstream segments of the oil and gas industry as identified in the GHG Roadmap; require increased monitoring and leak detection and repair (LDAR) inspections; achieve reductions of GHG and co-pollutants in disproportionately impacted communities; and impose additional practices to ensure the efficacy of air pollution control equipment. These revisions to Regulation Numbers 7 and 22 are proposed on a state-wide and state-only basis.

The Division may also make renumbering, typographical, grammatical, and formatting corrections throughout Regulation Numbers 7 and 22. The proposed revisions to Regulation Numbers 7 and 22 are state-only rules.

The Division is requesting the Commission schedule a public hearing for December 2021 to consider new requirements in Regulation Numbers 7 and 22.

ATTACHMENTS:

Good Cause Letter
Agenda Item Control Sheet
Proposed Regulatory Language – Regulation Number 7
Proposed Regulatory Language – Regulation Number 22
Statement of Basis, Specific Statutory Authority and Purpose – Regulation Number 7

CONTACT:

For questions, please contact the following:

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Signatures

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