Colorado's Air Quality Control Commission Meeting

December 14-17, 2021

Regulation 7

Air Pollution Control Division's Proposal

Second Errata Sheet

The Air Pollution Control Division (Division) last submitted a proposed Statement of Basis and Purpose and rule language as part of the Regulations Number 7 and Number 22 rulemaking hearing on November 23, with an errata sheet submitted on December 10, for the December 14-17, 2021, Air Quality Control Commission meeting.

Throughout the rulemaking process, the Division has continued to work with various parties, negotiating agreeable revisions in order to reduce the number of issues on which the Commission must decide. The following revisions, highlighted in pink, have been made to the December 10, 2021 version of the proposed rule language and Statement of Basis and Purpose.

GUIDE TO COLOR CODING:
No shading - Initial proposal, August 31, 2021
Yellow - PHS revision
Blue - Rebuttal revision
Green - First errata, December 10, 2021
Pink - Second errata, December 14, 2021

Regulation Number 7, Part D, Section II.B.2.g.(i)

The Division revised the timeline for installation of a flow meter to address concerns with equipment availability and implementation resources.

II.B.2.g.(i) Unless an extension is authorized by the Division for good cause, flow meters must be installed and operating by

II.B.2.g.(i)(A) December 31, 2022, for enclosed combustion devices in disproportionately impacted communities that commenced operation before February 14, 2022.

~~II.B.2.g.(i)(B) December 31, 2022, for enclosed combustion devices not subject to Section II.B.2.g.(i)(A) in the 8-hour ozone control area or northern Weld County that commenced operation before February 14, 2022.~~

II.B.2.g.(i)(B) May 1, 2023, for enclosed combustion devices not subject to Section II.B.2.g.(i)(A) that commenced operation before February 14, 2022.

II.B.2.g.(i)(C) Commencement of operation for enclosed combustion devices that commence operation on or after February 14, 2022.

Regulation Number 7, Part D, Section II.B.2.h.(i)(E)

The Division adjusted the date to which operator must calculate emissions after a failing stack test to the date that the repair is made, to reflect that the time period for which the lower control efficiency is used in the calculation should be consistent with the time period in which the combustion device was not operating properly.

II.B.2.h.(i)(E) For the calendar year of a failing performance test, owners or operators must calculate enclosed combustion device emissions (or the emissions for the source controlled) pursuant to Sections II.G. and V. with the results of the failed test until the enclosed combustion device is back in compliance as confirmed by the passing retest under Section II.B.2.h.(i)(G).

Regulation Number 7, Part D, Section II.B.2.h.(ii)(A), Table 1 and Section II.B.2.h.(ii)(B)

The Division adjusted the date by which performance tests must be completed for the 2023 and 2024 deadlines from May 1 to October 31, to account for vendor availability and ramping up performance testing capacity.

Table 1 – Enclosed Combustion Device Inspections

Location of enclosed combustion device	Compliance deadlines					
	October 31, 2023	October 31, 2024	May 1, 2025	May 1, 2026	May 1, 2027	May 1, 2028
	Percentage (%) of owner or operator's enclosed combustion devices that must be tested					
Within a DI community	At least 15%	At least 40%	At least 70%	100%	NA	NA
Within the 8-hour ozone control area and northern Weld County	At least 10%	At least 30%	At least 50%	At least 80%	100%	NA
Outside the 8-hour ozone control area and northern Weld County	At least 5%	At least 15%	At least 30%	At least 50%	At least 75%	100%

II.B.2.h.(ii)(B) A performance test conducted in accordance with Division-approved test protocol between January 1, 2020, and October 31, 2023, will satisfy the initial performance testing requirements in Section II.B.2.h.(ii)(A).

Regulation Number 7, Statement of Basis and Purpose, pages 5-7

The Division updated the Statement of Basis and Purpose to provide additional clarification concerning the implementation of the performance testing requirements, including the timely development of guidance, protocols, and review of submittals from operators.

Section II.B.2.g. requires owners and operators to install and operate a flow meter at the inlet to enclosed combustion equipment (or a bank of enclosed combustion devices) used as air pollution control equipment covered by this section, with some exceptions. A flow meter is a device that measures the amount of gas entering the enclosed combustion device and can be used to help determine whether an enclosed combustion device is functioning properly. The Commission believes that flow meters are an important tool to help the Division ensure that air pollution control equipment achieves at least 95% control efficiency for hydrocarbons, comparing flow rates against the high end flow limitations of the enclosed combustion device used to ensure that the enclosed combustion device is being operated within the design parameters. ~~Flow meters also provide valuable information to help the Division verify the emission calculations for this equipment reported under Regulation Number 7, Part D, Section V.~~ In Section II.B.3.g.(iii)(C), the Commission recognizes that the use of flow meters may not always be feasible; for example, flow meters can be less effective where the control device is a "low flow" device - i.e. where the flow to the device is not consistent or high enough to achieve generally accurate readings from the meter. The Commission encourages operators to provide alternative mechanisms for tracking flow data (or other Division-approved parameter) to air pollution control equipment for those situations in which flow meters are less effective~~efficient~~ or accurate. Where an operator has submitted a plan for the use of an alternate parameter under Section II.B.2.g.(iii)(C), the Commission directs the Division to promptly review and approve or deny appropriate alternative monitoring mechanisms or parameters to ensure operators may meet the applicable deadlines in Section II.B.2. However, the burden remains on the operator to comply with the regulation or, where approved, the provisions of the alternative approval. The Commission intends that if the flow meter is not connected to automation to continuously record flow, it should be capable of storing at least two weeks of data.

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The Commission has determined that performance tests must be conducted pursuant to a Division-approved protocol. The Commission intends that as an alternative to a site-specific protocol, operators may submit to the Division a company-specific protocol for approval for that company's different types of site configurations, to which an operator would certify that it followed for each performance test conducted pursuant to that protocol. The Commission also anticipates that the U.S. EPA will be releasing a protocol for an outlet-only testing method and directs the Division to consider publishing that protocol on its website as a pre-approved test protocol for enclosed combustion device performance testing, to which operators would certify they followed in conducting a performance test. The Division may also develop a statewide protocol that may be followed by any owner or operator. If utilizing the Division's statewide

protocol, an owner or operator need only provide a notice prior to conducting testing pursuant to the protocol. The Commission also directs the Division to consider approving different protocols for different types of devices. For example, the Commission would support a different test protocol for devices operating at such low-flow that supplementing the gas stream to the device would be required for purposes of the test. Given the evolving and innovative work and study in this area to evaluate the performance of enclosed combustion devices, the Commission recognizes that protocols may be developed, subject to division approval, that don't result in a strictly numeric destruction efficiency evaluation, such as a traditional stack test, and those may be approvable protocols, in which case, the protocol will identify the metric by which the testing will be considered passing or failing.

The Commission understands that development of performance testing protocols is important to meeting the performance testing deadlines and directs the Division to develop, by August 1, 2022, a standard protocol framework for performance testing to allow operators to meet the required testing timelines, and by October 31, 2022, an alternative protocol to a traditional stack test for low-flow ECDs where appropriate. The Commission further directs the Division to review proposed companywide performance testing protocols within 6 months of receipt of the proposal or, where approval or denial cannot be accomplished in that time frame and where the protocol was submitted with adequate time to implement testing after Division approval, to consider approving alternative testing schedules. However, the inability of the Division to develop standard protocols or to approve a performance test protocol within the time frames provided above does not relieve the operator of the duty to comply with this regulation.

Performance testing requirements under Regulation 7 do not limit the division's authority to otherwise require performance tests under Common Provisions, Section II.C including those required as the outcome of approving a construction permit.

Regulation Number 22, Part B, Section IV.A.19

The Division is correcting an incorrect cross-reference in the definition.

> IV.A.19. "New to market operator" means an owner or operator that did not produce any oil or natural gas in Colorado in calendar years 2021 or 2022 or own or operate any well production facility in Colorado as of December 31, 2022. A new to market operator that becomes a majority operator as defined in Section IV.A.16. or a minority operator as defined in Section IV.A.18. is no longer a new to market operator.