Climate Equity Considerations

Proposed AQCC Regulation Number 7, Part D, Sections II and III
Proposed AQCC Regulation Number 22, Part B, Sections III and IV
September 2, 2021
Before the Air Quality Control Commission
Request for Hearing, September 17, 2021

Introduction

In 2019, House Bill 19-1261: Colorado's Climate Action Plan was passed, amending Colorado statute and directing the Air Quality Control Commission (Commission) to consider and adopt certain greenhouse gas (GHG) emission reduction rules. It also directs the Commission to identify communities disproportionately impacted by climate change, in part, to ensure that the actions the Commission takes to reduce climate change includes strategies to reduce harmful air pollution affecting those communities. In identifying these communities, the statute directs the Commission to consider people of color, low-income residents, and indigenous peoples. The statute also states that disproportionate impacts may result from environmental degradation, as well as barriers to public participation, such as those experienced by some rural or linguistically isolated populations, for example. The statute directs the Commission to consider and prioritize the benefits of regulatory compliance, including economic, health, environmental, and resiliency benefits, to disproportionately impacted communities. Furthermore, the statute requires that impacts of potential rules on disproportionately impacted communities be evaluated and that stakeholder and community input be solicited and considered.

This attachment summarizes the fulfillment of these statutory requirements for the oil and gas rulemaking proposed to the Commission on August 31, 2021 by answering the checklist of key questions from the state's Climate Equity Framework.

1. **How did the Air Pollution Control Division (Division) encourage community input and participation in the rule development process? How was community input used?**

Stakeholder Engagement Efforts

Outreach efforts for this rule were statewide. Staff held open public meetings, public listening sessions, and separately met with residents, royalty holders, and community organizations who serve disproportionately impacted communities. For each of the public meetings below, the Division included on the registration forms questions about whether translation services were required. Many of these meetings were held in the evenings, outside of regular business hours. Stakeholder outreach included, but was not limited to:

- Public Stakeholder Kick-off Meeting: November 5, 2020 (280 registrants)
- Local Government Air Quality Monitoring Forum, January 13, 2021
- Formal CDPHE consultation with the Southern Ute Indian Tribe, February 22, 2021
- Disproportionately Impacted Community Listening Session: March 4, 2021 (236 registrants)
- Public Stakeholder Update: March 25, 2021 (217 registrants)
- Formal CDPHE consultation with the Mountain Ute Tribe, April 9, 2021
- Public Listening Session: May 11, 2021 (149 registrants)
- Public Stakeholder Update: July 7, 2021 (187 registrants)
- Equity in Oil & Gas Rulemaking Discussion, August 9, 2021 (multiple environmental and community organizations)
- Rule Feedback Meetings: August 16 and August 31, 2021 (200 registrants)
- Over 40 meetings with individual stakeholders or stakeholder groups
- Multiple written comments received and reviewed

After the first meeting in November 2020, the Division sent out a survey to participants to evaluate the meeting. The Division received feedback, including that meetings should be recorded and made available online. The division offered both interpretation and translation services for all meetings beginning March 2021. Further, the division created a public informational flyer and invitation in both English and Spanish for the public meetings held on March 25, May 11, and July 7, 2021.

Division staff presented an overview of rule concepts and held discussion on equity considerations with the Climate Equity Advisory Committee on July 2, 2021. The Committee is comprised of equity, climate, and community engagement experts from environmental groups, local governments, non-governmental organizations, and academia within Colorado.

The Division also made many materials available on a web page created for this rulemaking effort. https://cdphe.colorado.gov/oil-and-gas-greenhouse-gas-roadmap-stakeholder-process
The Division posted strategy proposals for different strategies to reduce oil and gas emissions. The Division posted draft rule language, following which the Division held large and small group meetings to discuss the specifics of its proposals. The Division made meaningful changes to its proposals to address feedback from stakeholders.

How Input was Used

Community feedback was used to prioritize GHG mitigation strategies that also reduce harmful co-pollutants including localized air and water quality benefits. Community feedback led to the inclusion of additional monitoring for oil and gas facilities and proposals for additional transparency in reporting. Community feedback also included discussion of the monetary benefits of natural gas capture to residents of communities with oil and gas development.

2. How will this rule impact costs for disproportionately impacted communities?

This rule is not expected to increase any costs for people living in disproportionately impacted communities.

3. What are the financial benefits of compliance and are they being directed toward/prioritized within disproportionately impacted communities?

The Division's proposal will result in the additional capture of natural gas from the oil and gas production process. Thus, residents of disproportionately impacted communities with royalty interests in oil and gas development will realize additional economic benefit.

4. What are the potential negative and positive impacts of the rule on physical and mental health? How can negative health impacts be minimized and positive impacts maximized for disproportionately impacted communities?

The Division's rule proposal prioritizes reductions of greenhouse gas and co-pollutants in disproportionately impacted communities. The rule proposal would, in disproportionately impacted communities: ensure quicker and more frequent testing of combustion equipment and require more frequent leak inspections. The Division's proposal also requires operators to submit various plans to comply with the new programs to evaluate the impacts of their plans on disproportionately impacted communities and to prioritize reductions therein. These rules are designed to reduce emissions in these communities, and therefore reduce the local health impacts of oil and gas operations.

5. What barriers and benefits exist for disproportionately impacted communities to adopting proposed mitigation technologies? How are barriers being addressed and benefits being

maximized?

The mitigation technologies that will be employed in response to this rule will be used within applicable facilities, rather than surrounding communities, so no relevant barriers exist.

6. **How can the rule improve community resilience or quality of life for people living in disproportionately impacted communities?**

This rule can potentially improve quality of life for communities surrounding oil and gas operations if the operations prioritize emission reduction measures which have localized co-benefits, as required. The midstream steering committee established under Reg. 22, Part B, Sec. III must also consider how to reduce emissions from midstream fuel combustion equipment in disproportionately impacted communities in putting together the midstream segment emission reduction plan.

The rule proposal also requires more transparency in the reporting of oil and gas emissions, which addresses concerns raised by community members about understanding the pollution emitted in their neighborhoods.