



EPA Creating Greenhouse Gas Registry

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On March 10, 2009, the Environmental Protection Agency ("EPA") announced that it will soon issue a proposed rule to require monitoring and reporting of greenhouse gas emissions. As proposed, this rule has broad application across all sectors of industries that release greenhouse gases, and will have a direct impact on certain segments of the oil and gas industry.

The rule will require reporting to EPA annual emissions of six green house gases, CO₂, CH₄, N₂O, SF₆, HFC, and PFC, attributed to global warming. The EPA is proposing that reporting be at the facility level. Individual facilities that emit 25,000 tons or more of greenhouse gases each year would be subject to reporting requirements. Specific to the oil and gas industry, facilities with fugitive emissions greater than 25,000 tons of CO₂ equivalents per year will be subject to reporting. This threshold is applicable to offshore petroleum and natural gas production facilities, onshore natural gas processing facilities, including gathering/boosting stations; natural gas transmission compression facilities, underground natural gas storage facilities; LNG storage facilities, and LNG import facilities. It is not clear whether the EPA intends to aggregate emissions from individual wells to trigger the mandatory reporting requirements.

The proposed rule proposes methods and procedures for calculating and reporting fugitive emissions of CH₄ and CO₂ from oil and gas systems. The EPA is seeking comments on those methods and procedures as well as the definition of "fugitive emissions" for the oil and natural gas systems in the rule. Once the rule is published in the federal register, there will be a 60 day public comment period on the proposed rule.

This unprecedented rulemaking is a first step to further regulation of greenhouse gases under the Clean Air Act. At this stage, there remains a great deal of uncertainty regarding the final language of the rule. Parties will have an opportunity to comment on the proposed rule, and in our opinion potentially affected should comment. To have an effect on the direction and content of the rule interested parties must comment. Interested parties must also comment to preserve their rights to later challenge the rule.

Please contact [Julia Jones](#) or click here for more information on the Proposed Rule: Mandatory Reporting of Greenhouse Gases.

