

North Central Texas Council of Governments

July 13, 2011

Ms. Jamie Zech
MC 206
Air Quality Division
Chief Engineer's Office
Texas Commission on Environmental Quality
PO Box 13087
Austin, TX 78711-3087

Dear Ms. Zech:

On behalf of the North Texas Clean Air Steering Committee (NTCASC), please accept the following comments relating to Proposed Dallas-Fort Worth Attainment Demonstration (2010-022-SIP-NR) and Reasonable Further Progress (2010-023-SIP-NR) State Implementation Plan Revisions for the 1997 Eight-Hour Ozone Standard Nonattainment Area, including corresponding supplements. The NTCASC was formed and its members are appointed by the North Central Texas Council of Governments Executive Board. The Committee's purpose is to work in partnership with the Texas Commission on Environmental Quality (TCEQ) and the Environmental Protection Agency in the development of ozone State Implementation Plans (SIPs) and to support their implementation once approved. Attachment 1 contains a Committee roster.

Oil and Gas Operations

Over the last six plus years, gas exploration activities in the Barnett Shale area have escalated, with a significant amount of operations now occurring in highly urbanized areas. The Barnett Shale's eastern area happens to reside in the western portion of the Dallas-Fort Worth (DFW) nonattainment, where the region's highest levels of ozone are being recorded (namely at monitors located at Denton Airport, Eagle Mountain Lake, Keller, and Grapevine). These monitors will be critical in determining future attainment of the ozone standard. Due to these facts, the NTCASC formed an Oil and Gas Task Force (roster included as Attachment 2) to become educated about industry practices and, as appropriate, to assist the NTCASC in recommending potential emission reduction measures for the DFW SIP. On May 25, 2011, the Task Force took action recommending oil and gas SIP measures for the NTCASC to consider and forward to TCEQ. Attachment 3 contains the NTCASC letter dated May 27, 2011, summarizing these measures for incorporation into the SIP.

As identified in the above referenced letter, the NTCASC maintains its position that TCEQ should officially formalize in the DFW SIP what has been identified as best practices of the oil and gas industry and which are already being employed by a very large percentage of the industry, including:

Green Completions – Process used to recover gas that would otherwise be vented or flared during the completion phase of a natural gas well.

Vapor Recovery Units – Equipment installed on condensate storage tanks that capture rather than vent vapors.

Plunger Lifts – System using gas pressure buildup in a well to lift a column of accumulated fluid out of the well to allow expected gas production.

Low-Bleed Pneumatic Valves – Devices that regulate gas flow and pressure.

As follow-up to questions raised by Task Force members, TCEQ provided estimated 2012 oil and gas emissions by category in the DFW area (Attachment 4). It should be noted that three of the top five oil and gas categories that are recommended as formalized SIP control measures contribute 94.1 tons per day (tpd) out of a total 114.1 tpd volatile organic compounds (VOC).

Review of the SIP proposals and supplements identified that the Commission is proposing to implement the Houston area condensate and crude oil storage tank rule (30 TAC Chapter 115, Subchapter B, Division 1) in the DFW nonattainment area, requiring 95 percent control of VOC flash emissions applicable to those tanks emitting over 25 tons per year (tpy) of VOCs. The NTCASC welcomes this rule but recommends the Permit By Rule (PBR) threshold be reduced from 25 tpy to 15 tpy. This recommendation is supported by information provided by TCEQ staff (Attachment 5, Table 3) that 8.8 tpd more VOC emission reductions can be obtained at a PBR of 15 tpy while not being cost prohibitive to the industry as most of these vapors would be collected and brought to market for sale.

The request to formalize the above best practices as rules and strengthen the condensate and crude oil storage tank rule in the SIP is made to better ensure that federal RFP requirements regarding VOCs can be achieved and that the reclassification and future reconsideration SIPs can demonstrate attainment. This will also provide a contingency in the 2012 RFP if existing calculations change and an uncoverable shortfall surfaces. In addition, such initiatives would guarantee an equal playing field for all oil and gas companies operating in the DFW area. As a secondary benefit beyond ozone reductions, such initiatives would aid in reduction of emissions (i.e. benzene, formaldehyde) that are being reported at the local level and are known to cause unwarranted and unnecessary health impacts.

Lastly, the NTCASC continues to advocate that the Commission and its staff review existing regulations to be sure that they are adequate to achieve their intended purpose and to meet today's standards.

Use of Motor Vehicle Emission Simulator (MOVES) -Based On-Road Emission Inventories

The NTCASC supports the decision to utilize MOVES-based on-road emission inventories in both the attainment demonstration and reasonable further progress SIP revision, as outlined in the proposed documentation and again in recent supplemental information. As summarized in a Regional Transportation Council letter to TCEQ on February 10, 2011 (Attachment 6), the benefits significantly outweigh associated risks to the region's ability to reach the federal ozone standard. In addition, use of the MOVES model is supported because it replaces the outdated

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MOBILE6 model with current available vehicle technology assumptions, behavioral trends, etc., and shows that photochemical modeling for this SIP revision performs at an improved tolerance within EPA's guidelines, allows for better decision making, and represents an improved assessment of emission trends to the public.

Comment Period Extension

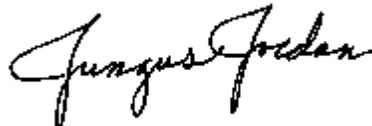
The NTCASC acknowledges TCEQ's recent action to extend the public comment period from July 25, 2011 to August 8, 2011. Recognizing that preparing a reclassification SIP revision has many tight deadlines, the extension is warranted to ensure the public has a minimum 30-day review and comment on supplemental information recently released.

We extend our gratitude to Commission staff that have participated at each meeting of the NTCASC, Oil and Gas Task Force, and the Photochemical Modeling Technical Committee. We appreciate the opportunity to emphasize these requests and to be a partner in the effort to improve air quality in North Texas.

Sincerely,



Mark Burroughs, Chair
North Texas Clean Air Steering Committee
Mayor, City of Denton



Jungus Jordan, Chair
North Texas Clean Air Steering Committee –
Oil and Gas Task Force
Councilmember, City of Fort Worth

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Attachments

cc: Elizabeth Ames Jones, Chairman, Railroad Commission
David Porter, Commissioner, Railroad Commission
Barry T. Smitherman, Commissioner, Railroad Commission
Michael Gange, Assistant Director, Environmental Services, City of Fort Worth
North Texas Clean Air Steering Committee
Mike Eastland, Executive Director, North Central Texas Council of Governments