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Natural Gas Compressor Station/Title V Permit: U.S. EPA Environmental Appeals Board Addresses Challenge to NESHAP Permit Condition

09/03/2020

The United States Environmental Protection Agency ("EPA") Environmental Appeals Board ("EAB") addressed in a September 2nd Order a Petition filed by MPLX challenging a permit condition that the federal agency placed in a Clean Air Act Title V permit renewal. See CAA Appeal No. 20-01.

MPLX is stated to operate a natural gas compressor station ("Facility") in Indian country within the boundaries of the Uintah and Ouray Reservation in Utah.

Title V of the Clean Air Act requires certain stationary sources of air pollution to obtain what are often described as "Operating" permits. The intent of a Title V permit is to organize in a single document all the air requirements which apply to the permit holder. Components of a title V permit include:

- Listing of permitting activities
- Description of emission units and pollution control devices
- Listing of applicable emission limits and standards
- Description of methods of monitoring
- Description of recordkeeping
- Identification of methods to be used for reporting and certifying compliance

EAB states that in April 2020 EPA Region 8 renewed a Clean Air Act Title V Operating Permit authorizing MPLX to continue operating its natural gas compressor station. The Facility is described as a station that gathers natural gas from the surrounding well sites via a low-pressure gas collection system, processes the gas to pipeline quality standards, and routes it offsite for transportation and sale. Further, during processing the natural gas is compressed and dehydrated to remove water vapor to a concentration specified by sales contract.

The Facility utilizes a glycol dehydrator to separate water from commercially viable natural gas. The process produces byproduct volatile organic compounds and hazardous air pollutants ("HAPs"). The glycol dehydrator employs a flare and backup combustor as emission control devices.,

EPA issued the Facility a final renewed permit on April 13, 2020. MPLX had submitted comments to EPA on a draft version of the permit that Unit C-2 should be designated as a backup combustor. As a result, it argued that the unit was not subject to the requirements of 40 C.F.R. Part 63, Subpart HH (i.e., NESHAP). Specifically, it stated:

According to MPLX, Unit C-2 "is not a Subpart HH control device" and a "backup control device is not required by Subpart HH."

MPLX further argued that the language of a prior Consent Decree EPA executed with a predecessor established that the other flare (Unit FL-1) was the only control device subject to the Part 63 NESHAP.

EAB held in its September 2nd Order that MPLX failed to meet its burden of establishing that EPA's permit determination was clearly erroneous. It found that 40 C.F.R. Part 63, Subpart HH does not exclude the backup combustor (Unit C-2) from compliance with the NESHAP applicable to oil and natural gas production facilities (i.e., 40 C.F.R. Part 63).

The previously referenced Consent Decree does not exclude the backup combustor from compliance with the NESHAP. This was based on EAB's belief that the language in the renewed Title V permit that the backup combustor comply with the regulatory requirements of Part 63, Subpart HH is consistent with the language in the applicable regulatory text.

The EAB also determined that the provisions in the Consent Decree do not prohibit EPA from revising and updating permit conditions in accordance with applicable law.

A copy of the Order can be downloaded <u>here</u>.