

## ALERTS

### Environmental Law Alert - Inspector General Requests EPA Collect More Data On Air Emissions From Natural Gas And Oil Production Sector

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The expansion of the oil and gas industry in the United States led the Inspector General to investigate whether EPA was equipped to regulate and evaluate the air emissions coming from this particular industry. The U.S. Environmental Protection Agency (EPA) Office of Inspector General (OIG) released a report on Feb. 20, 2013 recommending that the EPA improve its data on air emissions originating from the oil and gas production sector. The EPA has 60 days to respond to the report and provide the OIG with a list of corrective actions, agreed-upon actions, and milestone dates. EPA's response will be of public record.

According to the OIG report, the oil and gas production industry in the U.S. experienced significant growth between 1992-2010, with 11,000 new wells drilled annually and a 76 percent increase in the number of producing gas wells. Onshore crude oil production is projected to increase 30 percent from 2009 to 2025. Domestic natural gas production has also been expanding.

From March 2011 to September 2012, the OIG conducted an audit evaluating whether EPA had the data needed to make the following decisions regarding air emissions in the oil and gas industry: "establishing regulations, determining applicability of sources to regulations, permitting facilities, evaluating the adequacy and cost-effectiveness of regulatory controls, assessing residual risks from facilities, evaluating State Implementation Plans (SIPs), and taking enforcement actions."

The Inspector General concluded that EPA is lacking directly-measured air emission data on both criteria and toxic air pollutants for the oil and gas production industry. Perceived problems with EPA's emission factors and National Emissions Inventory (NEI) data gaps were specifically cited as areas needing improvement. According to the report, EPA's 495 emission factors potentially applicable to the oil and gas production largely have low quality ratings due to inadequate data; furthermore, emission factors need to be developed for more oil and gas production processes – most of the existing emission factors are related to process heaters and internal combustion engines.

NEI data is collected every three years, primarily through reports submitted by state and local air pollution control agencies. The most recent NEI data inventory was collected in 2008. The Solicitor General noted that few, if any, air emission data reports were submitted by states and local governments on a number of aspects of the oil and gas production industry.

EPA has initially agreed with the Inspector General's findings, particularly

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## RELATED PRACTICE AREAS

Environmental

the need to develop improved emission factors and the development of default nonpoint emission estimates.

The full report on the Inspector General's findings can be found at <http://www.epa.gov/oig/>.

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