

Gas Compressor Association
P.O. BOX 167688
Irving, TX 75016-7688
Phone: 972-518-0019



DATE: September 7, 2023
TO: GCA General Membership
FROM: Dalyce Watson, Environmental Committee Chairman
SUBJECT: Federal “Good Neighbor Plan” for the 2015 Ozone National Ambient Air Quality

VIA EMAIL & WEBSITE DISTRIBUTION

This memorandum reflects the Gas Compressor Association’s (“GCA”) current interpretation of the Environmental Protection Agency’s (“Agency” or “EPA”) final regulations with respect to the Federal “Good Neighbor Plan” for the 2015 Ozone National Ambient Air Quality Standards¹. The GCA is a trade organization of the natural gas industry. GCA member companies manufacture, produce, and service natural gas compressor packages as well as related components. Some GCA member companies own and operate natural gas compressor fleets which they rent or utilize to provide compression services to producers and midstream companies (collectively hereinafter, “compression services”). These natural gas compressor packages and compression services help transport natural gas from the wellhead but do not transport or store natural gas prior to the delivery of local distribution company custody transfer stations or to a final end user as necessary for the purposes of this final rule.

The Good Neighbor Plan finalizes requirements to address 23 upwind states’ (Alabama, Arkansas, California, Illinois, Indiana, Kentucky, Louisiana, Maryland, Michigan, Minnesota, Mississippi, Missouri, Nevada, New Jersey, New York, Ohio, Oklahoma, Pennsylvania, Texas, Utah, Virginia, West Virginia, and Wisconsin) obligations to eliminate “significant contribution” to nonattainment, or interference with maintenance, of the 2015 ozone National Ambient Air Quality Standards (NAAQS) in other states through the “interstate transport” provision of the Clean Air Act (CAA or Act). In order to achieve that action, the Agency is prohibiting emissions through emission limitations and associated requirements of reciprocating internal combustion engines, like those fabricated, sold, owned and/or operated by several GCA member companies, in Pipeline Transportation of Natural Gas to reduce the amount of ozone precursor emissions (specifically, nitrogen oxides or “NOx”) by the 2026 ozone season. For details regarding the genesis of the regulation, including its legislative history, visit <https://www.federalregister.gov/citation/87-FR-20036>.

With this rule making, the Agency is putting into effect requirements for the Pipeline Transportation of Natural Gas industry (NAICS 4862²) that apply to stationary, natural gas-fired, spark ignited reciprocating

¹ [EPA 40 CFR Parts 52, 75, 78 and 97](#) [EPA-HQ-OAR-2021-0668; FRL 8670-02-OAR] RIN 2060-AV51

² NACIS – “*The North American Industry Classification System (NAICS) is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy.*” [NAICS | US Environmental Protection Agency \(epa.gov\)](#)

internal combustion engines (“stationary SI engines”) having a nameplate rating of 1,000 hp or greater that are used for pipeline transportation of natural gas within 20 of the states covered by the rule.³ EPA asserts in the rule that, based on the potential emissions from stationary SI engines at these facilities, it can be reasonably concluded that emissions can reach or approximate the 100 tpy facility wide PTE threshold for significant nonattainment contribution⁴. For purposes of this rule, the EPA has defined “pipeline transportation of natural gas” to mean:

Pipeline transportation of natural gas means the movement of natural gas through an interconnected network of compressors and pipeline components, including the compressor and pipeline network used to transport the natural gas from processing plants over a distance (intrastate or interstate) to and from storage facilities, to large natural gas end-users, and prior to delivery to a “local distribution company custody transfer station” (as defined in this section) of an LDC that provides the natural gas to end-users. *Pipeline transportation of natural gas* does not include natural gas production facilities, natural gas processing plants, or the portion of the compressor and pipeline network that is upstream of the natural gas processing plant.

Local Distribution Company (LDC) custody transfer station means a metering station where the LDC receives a natural gas supply from an upstream supplier, which may be an interstate transmission pipeline or a local natural gas producer, for delivery to customers through the LDC’s intrastate transmission or distribution lines.

Natural gas processing plant means any processing site engaged in the extraction of natural gas liquids from field gas, fractionation of mixed natural gas liquids to natural gas products, or both. A Joule-Thompson valve, a dew point depression valve, or an isolated or standalone Joule-Thompson skid is not a natural gas processing plant.

Natural gas production facility means all equipment at a single stationary source directly associated with one or more natural gas wells upstream of the natural gas processing plant. This equipment includes, but is not limited to, equipment used for storage, separation, treating, dehydration, artificial lift, combustion, compression, pumping, metering, monitoring, and flowline.⁵

This action provides consistency with the EPA's regulatory definitions of “natural gas transmission and storage segment,”⁶ “local distribution company,”⁷ and “local distribution company custody transfer station”⁸, outlined in subpart OOOOa, Standards of Performance for Crude Oil and Natural Gas Facilities for Which Construction, Modification, or Reconstruction Commenced After September 18, 2015:

Natural gas transmission and storage segment means the transport or storage of natural gas prior to delivery to a “local distribution company custody transfer station” (as defined in this section) or to a final end user (if there is no local distribution company custody transfer station). For the purposes of this subpart, natural gas enters the natural gas

³ 40 CFR 52.41(b). Stationary SI engines are not regulated in three of the 23 states covered by the rule—Alabama, Minnesota, and Wisconsin. See 40 CFR 52.40(c)(2).

⁴ *Screening Assessment of Potential Emissions Reductions, Air Quality Impacts, and Costs from Non-EGU Emissions Units for 2026*, 88 FR 36654 V.B

⁵ 40 CFR 52.41(a).

⁶ [40 CFR 60.5430\(a\)](#)

⁷ [40 CFR 98.400](#)

⁸ [40 CFR 60.5430\(a\)](#)

transmission and storage segment after the natural gas processing plant, when present. If no natural gas processing plant is present, natural gas enters the natural gas transmission and storage segment after the point of “custody transfer” (as defined in this section). A compressor station that transports natural gas prior to the point of “custody transfer” or to a natural gas processing plant (if present) is not considered a part of the natural gas transmission and storage segment.

Local distribution company (LDC) custody transfer station means a metering station where the LDC receives a natural gas supply from an upstream supplier, which may be an interstate transmission pipeline or a local natural gas producer, for delivery to customers through the LDC’s intrastate transmission or distribution lines.

While the GCA has members that manufacture and produce components potentially put in service at facilities subject to this rule, Archrock, CSI Compressco, and J-W Power Company are not directly impacted, as these member companies do not provide any services downstream of natural gas processing.

However, EPA may intend to regulate any stationary SI engines used in compression downstream of the processing plant—not just those at compressor stations along pipelines directly transporting natural gas to storage, LDCs, or end users. If EPA intended the latter, it could have said so. But instead, EPA made the rule applicable to compressors moving natural gas “from processing plants over a distance (intrastate or interstate)” to various end points and then explicitly excluded only “the portion of the compressor and pipeline network that is upstream of the natural gas processing plant. If any GCA member companies provide compression services as gas moves from a processing plant to a pipeline that will ultimately deliver the natural gas to an LDC, end user, or storage, those compressors may be subject to the rule. Research in EPA’s rulemaking documents might clarify this issue.

If you have any questions regarding this memo, please contact the GCA via our management company (NACM) at 972-518-0019 or via our Environmental Committee Chairperson Dalyce Watson, at 903-291-2742 or dwatson@jwenergy.com.