

PETROLEUM ASSOCIATION OF WYOMING

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FILED

Sep 20, 2012

Jim Ruby, Executive Secretary
 Environmental Quality Council

FAX COVER SHEET

TO: Steve Dietrich

COMPANY: WDER/AQD

FAX #: 307/777-5616

FROM: John Robertson

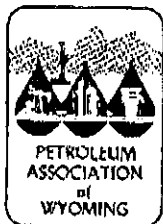
DATE: 9/17/12

RE: _____

CC: _____

Urgent For Review Please Comment Please Reply

COVER SHEET PLUS 2 PAGES



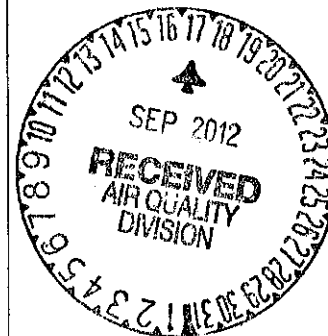
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September 17, 2012

Mr. Steven A. Dietrich
Wyoming Department of Environmental Quality
Air Quality Administrator
122 W. 25th Street
Cheyenne, WY 82002



Dear Mr. Dietrich:

The Petroleum Association of Wyoming (PAW) welcomes this opportunity to present comments to the Air Quality Division (Division) regarding the proposed rulemaking for chapters 1, 2, 3, 5, 6, 7, and 8.

PAW is Wyoming's largest oil and gas trade association, members of which account for over 90% of the natural gas and 80% of the crude oil produced in the state.

PAW understands the Division is updating the rules to comply with federal requirements. However, PAW wanted to express support for the rule changes, particularly those pertaining to Greenhouse Gases (GHG) and the Nonattainment Area Regulations.

We support the state taking regulatory control of GHG so long as Director Corra's statement regarding the Divisions policy of not charging fees for GHG, which was brought in front of a joint industry legislative working group, remains in place. Not charging fees for GHG would not be unusual as DEQ currently does not charge fees for CO₂, as Director Corra testified in a Joint Minerals Committee meeting.

Chapter 8 changes will have a direct impact to many of our members operating in the Sublette Co. nonattainment area. We believe the changes to chapter 8 will allow for more emissions to be under state control thereby streamlining and reducing the complexity of the federal conformity process and EIS development under the National Environmental Policy Act (NEPA). PAW appreciates the Division's changes to chapter 8 that will allow the rules to align with the Environmental Protection Agency's (EPA) General Conformity rule.

Our support for the proposed rule changes center on PAW's belief that WDEQ is the right agency to regulate such activities as the states have the employees, the expertise and are closer to the permitted actions than federal agencies.

However, we do have a few specific comments pertaining to specific paragraphs in Chapter 8, Section 3:

Section 3,(k)(i)(C) PAW is appreciative of WDEQ incorporating provisions from the federal rule so that state actions can develop an emissions budget for the SIP on a facility wide basis based on a seasonal evaluation of emissions not just an annual evaluation. This should provide additional flexibility in making conformity decisions based on EPA Q&A guidance available on their web site.

Section 3,(n) PAW is also appreciative of incorporating this paragraph into the proposal. With the inherent difficulty of securing offsets in a rural nonattainment area, this section would seem to give the state added flexibility to allow NOx and VOC offsets to be interchangeable for federal projects if technically justifiable and SIP approved.

Section 3 (o)(iii)(C) says emission credits must be used in the same year they were generated. PAW recommends this be changed to within 12 months of being generated and approved by the state. Requiring use in the same year suggests a calendar year. Operators that do not have the benefit of a full 12 month period to use offsets might be dissuaded from making voluntary emission reductions late in a calendar year, which otherwise could benefit the next year's winter ozone season.

Thank you for your consideration of these comments.



John Robitaille
Vice President