

**DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENTAL CONTROL**  
**DIVISION OF AIR QUALITY**

Statutory Authority: 7 Delaware Code, Chapter 60 (7 Del.C. Ch. 60)

**GENERAL NOTICE**

**State Implementation Plan (SIP) Revision to certify that Delaware Emission Statement program and Preconstruction Review program meet all 2008 Ozone NAAQS requirements.**  
**State Implementation Plan Revision regarding a negative declaration for EPA's 2016 Oil and Gas Control Techniques Guidelines.**

**1. TITLE OF SIP REVISION:**

State Implementation Plan (SIP) Revision to certify that Delaware Emission Statement program and Preconstruction Review program meet all 2008 Ozone NAAQS requirements.

State Implementation Plan Revision regarding a negative declaration for EPA's 2016 Oil and Gas Control Techniques Guidelines.

**2. BRIEF SYNOPSIS OF THE SUBJECT, SUBSTANCE AND ISSUES:**

DNREC is proposing to submit to the EPA two revisions to its SIP. The SIP revisions are: 1) to certify that Delaware Emission Statement program under 7 **DE Admin. Code** 1117, and Preconstruction Review program under 7 **DE Admin. Code** 1125 meet all 2008 Ozone NAAQS requirements, and 2) to adopt a negative declaration that certifies Delaware has no existing sources covered by EPA's 2016 Oil and Gas Control Techniques Guidelines.

**3. POSSIBLE TERMS OF THE AGENCY ACTION:**

None.

**4. STATUTORY BASIS OR LEGAL AUTHORITY TO ACT:**

7 **Del.C.** Ch. 60 Environmental Control

**5. OTHER REGULATIONS THAT MAY BE AFFECTED BY THE PROPOSAL:**

N/A

**6. NOTICE OF PUBLIC COMMENT:**

A public hearing on the proposed SIP revision will be held on October 25, 2017 beginning at 6:00PM in the DNREC Auditorium, located at the Richardson & Robbins Building, 89 Kings Highway, Dover, DE 19901. Individuals may present oral or written comments regarding the proposals at the public hearing, or via email to [Lisa.Vest@state.de.us](mailto:Lisa.Vest@state.de.us) or via USPS to Lisa Vest, Hearing Officer, DNREC, 89 Kings Highway, Dover, DE 19901 (302) 739-9042. The hearing record will remain open until November 9, 2017.

**7. PREPARED BY:**

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*Proposal*

**Delaware State Implementation Plan Revision**  
**Under the 2008 Ozone National Ambient Air Quality Standard**

**Negative Declaration for Emission Sources Specified in Oil and Gas Industry Control Technique Guidelines**

**Submittal To**

**U.S. Environmental Protection Agency**

**Submitted By**

**Delaware Department of Natural Resources and Environmental Control**

**September 2017**

## 1. Introduction

In October 2016, the US Environmental Protection Agency (EPA) issued the Control Techniques Guidelines (CTG) for the Oil and Natural Gas Industry (Reference 1, hereafter referred to as the 2016 Oil and Gas CTG). This document provides the states with ozone non-attainment areas and states in the Ozone Transport Region (OTR) a technical guideline for implementing controls to reduce volatile organic compound (VOC) emissions from leaks in the oil and natural gas production and processing industry.

Section 184 (b) of the Clean Air Act (CAA) requires states in the OTR, including Delaware, to revise their State Implementation Plans (SIP) to implement the CTG control techniques, as a Reasonably Available Control Technology (RACT) control measure, with respect to all covered sources of VOC emissions in the states. When a state confirms there are no applicable sources within its boundary, the revision to its SIP can be a negative declaration regarding the inapplicability of the CTG in the state, and therefore there is no need for implementing the CTG control (Reference 2).

This document is Delaware's negative declaration, as a SIP revision to its RACT SIP under the 2008 Ozone National Ambient Air Quality Standard (NAAQS) (Reference 3), regarding the 2016 Oil and Gas CTG. The agency with the direct responsibility for developing and submitting this SIP revision is Division of Air Quality (DAQ) within Delaware Department of Natural Resources and Environmental Control (the Department, or DNREC).

## 2. Determination on Non-Existence of Relevant Sources

The 2016 Oil and Gas CTG was developed to address VOC leaks in the oil and natural gas production and processing industry. Historically, and at present, Delaware has no facilities involved in industrial activities for oil and natural gas production and processing. Several facilities exist in Delaware for natural gas transmission and distribution only.

After issuing the 2016 Oil and Gas CTG, the EPA conducted an information collection request (ICR) of oil and gas facilities under the authority of section 114 of the Clean Air Act (CAA) to support the development of emission standards for existing oil and gas facilities under section 111 of the CAA. The EPA identified from its file three companies in Delaware that fell under the gas and oil segments: Penn-OK Corporation, Eastern Shore Natural Gas Company, and Delmarva Power & Lighting Company. The ICR was sent to all three companies and the Department in November 2016 and January 2017, respectively.

After receiving the ICR, the Department investigated the current status of the listed companies and their facilities, if any, in Delaware by either contacting the facilities or reviewing facility permit and emission files. The investigation has demonstrated the following.

(1) Penn-OK Corporation, identified in the ICR Part 1, was not recorded in Delaware's emission inventory. A search from Delaware Division of Corporations (DDC) found that this company was incorporated in Delaware in 1991 and closed on a later date (closing date unidentified, see Attachment 1). As shown in the DDC record, its location identified in the ICR (6 Fox Run Dr., Hockessin, DE 19707) was its registration agent's address. A further search in Google Map indicated that this address represented a single family house in a residential area.

(2) Eastern Shore Natural Gas Company, identified in the ICR Part 2, is not an oil or natural gas production and processing facility, but has two boosting stations (Permits#: APC-1996/0895-Operation, and APC-2005/0031-Construction/Operation) as part of the local natural gas transmission and distribution system. Upon request, the company provided the Department its status regarding the 2016 Oil and Gas CTG RACT summary sheet (see Attachment 2).

(3) Delmarva Power & Light Company in Wilmington, identified in the ICR Part 2, does not have any oil or natural gas production and processing facilities in Delaware. As shown in its permit file (Permit#: APC-2009/0002-Construction/Operation), the company has a natural gas distribution facility which stores liquefied natural gas and vaporizes/distributes it to the distributing system on peak-demand days.

In addition, the Department reviewed its air permits, emissions inventory files and Delaware business listings, and found no other facilities in Delaware that are currently involved in oil and gas production and processing activities.

## 3. Negative Declaration

Delaware hereby declares that it does not have any facility that has sources being covered by the 2016 Oil and Gas CTG. Therefore, a new Oil and Gas RACT rule will not be developed and incorporated into Delaware's RACT SIP under the 2008 ozone NAAQS. Delaware's RACT SIP under the 2008 ozone NAAQS (Reference 3) is still valid and sufficient.

## References

1. Control Techniques Guidelines for the Oil and Natural Gas Industry, EPA-453/B-16-001, US Environmental Protection Agency, October 2016. <https://www.epa.gov/sites/production/files/2016-10/documents/2016-ctg-oil-and-gas.pdf>

2. The 2016 Oil and Gas CTG link:

<https://www.epa.gov/controlling-air-pollution-oil-and-natural-gas-industry/2016-control-techniques-guidelines-oil-and>

3. Delaware Reasonably Available Control Technology (RACT) State Implementation Plan (SIP) under the 2008 Ozone National Ambient Air Quality Standard (NAAQS), submittal to EPA by Delaware Department of Natural Resources and Environmental Control, effective August 2014.

**Attachment 1**

Status of Peen-OK Corporation

Search result from Del. Division of Corporation search: The facility closed.  
From: <https://icis.corp.delaware.gov/Ecorp/EntitySearch/NameSearch.aspx>

## Entity Details

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<a href="#">File Number:</a>	<b>2266643</b>	<a href="#">Incorporation Date / Formation Date:</a>	<b>6/24/1991</b> (mm/dd/yyyy)
<a href="#">Entity Name:</a>	<b>PENN-OK CORPORATION</b>		
<a href="#">Entity Kind:</a>	<b>Corporation</b>	<a href="#">Entity Type:</a>	<b>Closed Corp</b>
<a href="#">Residency:</a>	<b>Domestic</b>	State:	<b>DELAWARE</b>

**REGISTERED AGENT INFORMATION**

Name:	<b>SCOTT S. MALONEY</b>		
Address:	<b>6 FOX RUN DRIVE</b>		
City:	<b>HOCKESSIN</b>	County:	<b>New Castle</b>
State:	<b>DE</b>	Postal Code:	<b>19707</b>
Phone:			

**Attachment 2**

Facility information provided by Eastern Shore Natural Gas (ESNG) Company upon the Department request.

**Final VOC Control Techniques Guidelines for the Oil and Natural Gas Industry**  
**Summary of RACT Recommendations**  
**for Ozone Nonattainment Areas Classified as "Moderate" and Above,**  
**and States in the Ozone Transport Region**

*NOTE: Please read the [CTG](#) for additional detail.*

Sources Covered	Reasonably Available Control Technology (RACT) Recommendation
<b>Storage Tanks</b>	
<ul style="list-style-type: none"> <li>Individual storage tanks with a potential to emit (PTE) ≥ 6 tons per year (tpy) of VOCs.</li> </ul>	<p>ESNG does not have any large storage tanks. A few small tanks are used to temporarily contain waste oil from engine oil changes and/or any liquids captured by pipeline filtration and liquid separation vessels that is then collected for recycling. These tanks have a maximum capacity of 500 gallons each.</p> <p>emissions remain below 4 tpy.</p>
<b>Pneumatic Controllers</b>	
<ul style="list-style-type: none"> <li>Individual continuous bleed, natural gas-driven pneumatic controller at a natural gas processing plant.</li> </ul>	<ul style="list-style-type: none"> <li>Natural gas bleed rate of zero standard cubic feet per minute (scfm) for safety and positive actuation that require higher bleed rate.</li> </ul> <p>ESNG does not operate any natural gas processing plants.</p>
<ul style="list-style-type: none"> <li>Individual continuous bleed natural gas-driven pneumatic controller located from the wellhead to the natural gas processing plant or point of custody transfer to an oil pipeline.</li> </ul>	<p>ESNG is a transmission pipeline, downstream of any production area, wellhead, or processing plants.</p>
<b>Pneumatic Pumps</b>	
<ul style="list-style-type: none"> <li>Individual natural gas-driven diaphragm pump located at a natural gas processing plant.</li> </ul>	<ul style="list-style-type: none"> <li>ESNG is a transmission pipeline, downstream of any production area, wellhead, or processing plants.</li> </ul>
<ul style="list-style-type: none"> <li>Individual natural gas-driven diaphragm pump located at a well site.</li> </ul>	<ul style="list-style-type: none"> <li>Require routing of VOC emissions from the pump to an existing onsite control device/process.</li> <li>Require 95% control, unless the onsite existing control device/process is not available.</li> <li>ESNG is a transmission pipeline, downstream of any production area, wellhead, or processing plants.</li> <li>Maintain records if there is no existing control device at the location of the pump.</li> </ul>
<ul style="list-style-type: none"> <li>Individual natural gas-driven diaphragm pump located at a well site that is in operation for any period of time each calendar day for less than a total of 90 days per calendar year.</li> </ul>	<p>Not covered; RACT would not apply.</p> <p>ESNG is a transmission pipeline, downstream of any production area, wellhead, or processing plants.</p>

Final VOC Control Techniques Guidelines for the Oil and Natural Gas Industry Summary of Recommendations, cont.	
Sources Covered	Reasonably Available Control Technology (RACT) Recommendation
<b>Compressors (Centrifugal &amp; Reciprocating)</b>	
<ul style="list-style-type: none"> <li>Individual reciprocating compressor located between the wellhead and point of custody transfer to the natural gas transmission and storage segment.</li> </ul>	<ul style="list-style-type: none"> <li>ESNG is a transmission pipeline, downstream of any production area, wellhead, or processing plants.</li> </ul>
<ul style="list-style-type: none"> <li>Individual reciprocating compressor located at a well site, or an adjacent well site and servicing more than one well site.</li> </ul>	<ul style="list-style-type: none"> <li>operation or 36 months since the most recent rod</li> <li>ESNG is a transmission pipeline, downstream of any production area, wellhead, or processing plants.</li> </ul>
<ul style="list-style-type: none"> <li>Individual centrifugal compressor using wet seals that is located between the wellhead and point of custody transfer to the natural gas transmission and storage segment.</li> </ul>	<ul style="list-style-type: none"> <li>Not covered; RACT would not apply.</li> <li>ESNG is a transmission pipeline, downstream of any production area, wellhead, or processing plants.</li> </ul>
<ul style="list-style-type: none"> <li>Individual centrifugal compressor using wet seals located at a well site, or an adjacent well site and servicing more than one well site.</li> </ul>	<ul style="list-style-type: none"> <li>ESNG is a transmission pipeline, downstream of any production area, wellhead, or processing plants.</li> </ul>
<ul style="list-style-type: none"> <li>Individual centrifugal compressor using dry seals.</li> </ul>	<ul style="list-style-type: none"> <li>ESNG operates reciprocation compressors, not centrifugal.</li> </ul>
<b>Leaks (Equipment Leaks and Fugitive Emissions)</b>	
<ul style="list-style-type: none"> <li>Equipment leaks from components in VOC service located at a natural gas processing plant.</li> </ul>	<ul style="list-style-type: none"> <li>ESNG is a transmission pipeline, downstream of any production area, wellhead, or processing plants.</li> </ul>
<ul style="list-style-type: none"> <li>Fugitive emissions (leaks) from individual well sites with wells with a gas-to-oil ratio (GOR) <math>\geq 300</math> that produce, on average, &gt; 15 barrel of oil equivalents (boe) per well per day.</li> </ul>	<ul style="list-style-type: none"> <li>Develop and implement semiannual optical gas imaging (OGI) r</li> <li>ESNG is a transmission pipeline, downstream of any production area, wellhead, or processing plants.</li> <li>Method 500 pp</li> </ul>
<ul style="list-style-type: none"> <li>Fugitive emissions (leaks) at individual gathering &amp; boosting stations located from the wellhead to the point of custody transfer to the natural gas transmission and storage segment, or an oil pipeline.</li> </ul>	<ul style="list-style-type: none"> <li>Develop and implement semiannual OGI monitoring and repair emission station</li> <li>ESNG is a transmission pipeline, downstream of any production area, wellhead, or processing plants.</li> <li>Method 500 ppm repair threshold.</li> </ul>

**Proposal**

**Delaware State Implementation Plan Revision  
Under the 2008 Ozone National Ambient Air Quality Standard**

**Certification of Delaware's Non-attainment New Source Review (NNSR) and Emissions Statement Programs**

**Submitted To**

**U.S. Environmental Protection Agency**

**Submitted By**

**Delaware Department of Natural Resources and Environmental Control**

**September 12, 2017**

On February 3, 2017 the EPA issued Findings of Failure to 15 states and the District of Columbia to submit certain required State Implementation Plan (SIP) elements for 2008 8-hour ozone standard nonattainment areas (82 FR 9158). According to EPA's action, Delaware failed to certify its Non-attainment New Source Review (NNSR) program for the Seaford, DE and Philadelphia-Wilmington-Atlantic City, PA-NJ-MD-DE nonattainment areas for the 2008 ozone National Ambient Air Quality Standards (NAAQS). EPA further determined Delaware's Emissions Statement program must also be certified for adequately addressing the 2008 ozone NAAQS.

## **2. Delaware Non-attainment Areas Designated Under the 2008 Ozone National Ambient Air Quality Standards (NAAQS)**

EPA final designations under the 2008 ozone NAAQS for Delaware counties were finalized in April 2012. EPA included New Castle County in the marginal Philadelphia-Wilmington-Atlantic City, PA-NJ-MD-DE nonattainment area and established Sussex County as the stand-alone marginal Seaford nonattainment area.

On April 23, 2015, Delaware submitted the 2011 base year inventory of ozone precursors to EPA for New Castle and Sussex Counties. EPA issued a direct final rule approving Delaware's base year inventory on October 1, 2015. On April 12, 2015 Delaware submitted a RACT SIP revision certifying that Delaware, as part of the Ozone Transport Region, meets its obligation to establish RACT controls for VOC and NOx. On September 12, 2017, EPA published a proposal in the Federal Register (82 FR 42767) to approve Delaware's RACT SIP.

## **3. Certification of NNSR program**

EPA previously approved a state-wide NNSR SIP revision on February 28, 2013 (78 FR 13496) which covered the Philadelphia-Wilmington-Atlantic City, PA-NJ-MD-DE and the Seaford, DE nonattainment areas for the 2008 ozone NAAQS. Delaware has not subsequently amended the SIP-approved NNSR program. Upon review of the approved NNSR program, Delaware finds and certifies that no changes are necessary to comply with the 2008 ozone NAAQS NNSR requirements. The State of Delaware is certifying that its existing NNSR program is at least as stringent as the requirements at 40 CFR 51.165 for ozone and its precursors, as amended by the final rule titled *Implementation of the 2008 National Ambient Air Quality Standard for Ozone: State Implementation Plan Requirements* (80 FR 12264, March 6, 2015). The requirements necessary to appropriately implement Delaware's NNSR program are included in Table 1.

## **4. Certification of Emission Statement Program**

Section 182(a)(3)(B) of the Clean Air Act (CAA) requires states with ozone nonattainment areas to develop emission statement programs for VOC and NOx sources. The required state program and associated regulation defines how states obtain emissions data directly from facilities and report it to the EPA. EPA approved Delaware's Emission Statement program on April 29, 1996 (61 FR 7415). The approved emission statement rule, in force for the 1997 ozone NAAQS and the 1-hour ozone NAAQS, covers all portions of Delaware's nonattainment areas for the 2008 ozone NAAQS, and is sufficient for purposes of the emissions statement requirements for the 2008 ozone NAAQS. Delaware has reviewed its previously approved emission statement rule and is certifying to EPA that it meets the emission statement requirements for the 2008 ozone NAAQS. The requirements necessary to appropriately implement Delaware's Emission Statement program



are included in Table 1.

<b>Table 1: 2008 Ozone NAAQS SIP Requirements</b>	
<b>Non-attainment New Source Review</b>	
<b>40 CFR 51.165</b>	<b>Delaware Requirements</b>
(a)(1)(iv)(A)(I)(i)-(iv) and (2): Major source thresholds for ozone – VOC and NOx	7 DE Admin Code 1125 Section 2.2.
(a)(1)(iv)(A)(3): Change constitutes a major source by itself	7 DE Admin Code 1125 Section 2.2.3.
(a)(1)(v)I: Significant net emissions increase of Nox is significant for ozone	7 DE Admin Code 1125 Section 1.9, Definitions – “ <b>Major Modification</b> ”.
(a)(1)(v)(F): Any emissions change of VOC in Extreme area triggers NNSR	Not applicable since no Delaware nonattainment area is or has previously been designated as Extreme.
(a)(1)(x)(A)-(C) and I: Significant emissions rates for VOC and Nox as ozone precursors	7 DE Admin Code 1125 Section 1.9, Definitions – “ <b>Significant</b> ”.
(a)(3)(ii)(C)(I)-(2): Provisions for emissions reduction credits	7 DE Admin Code 1125 Section 2.5.
(a)(8): Requirements for VOC apply to Nox as ozone precursors	7 DE Admin Code 1125 Section 2.2.4.
(a)(9)(i)-(iii): Offset ratios for VOC and Nox for ozone nonattainment areas <i>[subparagraphs (a)(9)(i)-(iii) were changed to (a)(9)(ii)-(iv)]</i>	7 DE Admin Code 1125 Section 2.4.3.
(a)(12): Anti-backsliding provision(s), where applicable	Sources in Kent and New Castle Counties remain subject to requirements and major source thresholds based on the Severe designation for the 1-hour ozone standard. Sussex County remains subject to requirements and major source thresholds based on the Moderate designation as part of an ozone transport region.
<b>Emission Statement Program</b>	
<b>CAA Section 182(a)(3)(B)</b>	<b>Delaware Requirements</b>
182(a)(3)(B)(i) – Submit yearly	7 DE Admin Code 1117 Section 7.3.
182(a)(3)(B)(i) – Source certification	7 DE Admin Code 1117 Section 7.2.
182(a)(3)(B)(ii) – Reporting thresholds	7 DE Admin Code 1117 Section 7.1.