

**SUPPORTING STATEMENT PART A:
INFORMATION COLLECTION REQUEST
FOR THE MANDATORY REPORTING OF GREENHOUSE GASES,
SUBPART W: PETROLEUM AND NATURAL GAS SYSTEMS – PROPOSED RULE
EPA ICR No. 2376.01**

1. IDENTIFICATION OF THE INFORMATION COLLECTION

1(a) Title of the Information Collection

TITLE: “Mandatory Reporting of Greenhouse Gases (GHG Reporting Rule), Subpart W: Petroleum and Natural Gas Systems – Proposed Rule.”

OMB Control Number: 2060-new

1(b) Short Characterization/Abstract

The United States (U.S.) Environmental Protection Agency (EPA) is proposing to add Subpart W to the recently promulgated Mandatory Reporting of Greenhouse Gases Program established under 40 CFR 98. Subpart W applies to the calculation and reporting of vented, fugitive, and flare combustion emissions from selected equipment at the following facilities that emit equal to or greater than 25,000 metric tons (mt) of CO₂-equivalent (CO₂e) per year from source categories covered by the mandatory GHG reporting rule: offshore petroleum and natural gas production facilities, onshore petroleum and natural gas production facilities (including enhanced oil recovery (EOR)), onshore natural gas processing facilities, onshore natural gas transmission compression facilities, onshore natural gas storage facilities, liquefied natural gas (LNG) storage facilities, LNG import and export facilities and natural gas distribution facilities owned or operated by local distribution companies (LDC’s).

The proposed supplemental rule incorporates a number of changes including, but not limited to, different methodologies that provide improved emissions coverage at a lower cost burden to facilities than would have been covered under the initial proposed rule; the inclusion of onshore production and distribution facilities; and separate definitions for “vented” and “fugitive” emissions.

This ICR supplements the ICR for ICR for the Mandatory Reporting of Greenhouse Gases; Final Rule (EPA ICR No. 2300.03). EPA will merge these ICRs when they are renewed in the future.

2. NEED FOR AND USE OF THE COLLECTION

2(a) Need/Authority for the Collection

Signed into law on December 26, 2007, the FY2008 Consolidated Appropriations Act (henceforth referred to as the “Appropriations Act”) directed EPA to “develop and publish a draft rule not later than 9 months after the date of enactment of this Act, and a final rule not later than 18 months after the date of enactment of this Act, to require mandatory reporting of greenhouse gas emissions above appropriate thresholds in all sectors of the economy of the United States.”

The accompanying explanatory statement further directed EPA to “use its existing authority under the Clean Air Act” (CAA) to develop a mandatory GHG reporting rule. “The Agency is further directed to include in its rule reporting of emissions resulting from upstream production and downstream sources, to the extent that the Administrator deems it appropriate. The Administrator shall determine appropriate thresholds of emissions above which reporting is required, and how frequently reports shall be submitted to EPA. The Administrator shall have discretion to use existing reporting requirements for electric generating units” under §821 of the 1990 CAA amendments.

In accordance with this directive, EPA is proposing to extend the mandatory reporting program using its authority under §114 and §208 of the CAA.

- CAA §114(a) provides EPA broad authority to collect data for the purpose of, among other things, “carrying out any provision” of the Act. Under §114(a)(1), EPA may require any person who owns or operates any emission source or may have information necessary to carry out the provisions of the Act to measure emissions (including installing monitoring equipment), maintain records, submit reports, and provide other information the Administrator may reasonably require.
- CAA §208, in Title II of the Act, provides EPA with similar authority regarding the manufacturers of new motor vehicles or new motor vehicle engines.

Further information on the authority provided under §114 and §208 of the CAA is contained in section I.C. of the preamble to the final GHG reporting rule (74 FR 56259).

The scope of the persons potentially subject to a section 114(a)(1) information request (e.g., a person “who the Administrator believes may have information necessary for the purposes set forth in” section 114(a)) and the reach of the phrase “carrying out any provision” of the Act are quite broad. EPA’s authority to request information reaches to a source not subject to the CAA, and may be used for purposes relevant to any provision of the Act.

EPA retains the proposal to include offshore platforms in the supplemental proposed rulemaking. Although offshore platforms are under the jurisdiction of the Department of the Interior, EPA believes that its jurisdiction under the CAA extends to these offshore platforms

because EPA has broad authority under section 114 to collect information that the Administrator believes necessary for carrying out the CAA. Because EPA is comprehensively considering how to address climate change under the CAA, including both regulatory and non-regulatory options, a rule that requests detailed information from a broad spectrum of sources, including offshore platforms, is reasonable.

The Agency believes that information collected by this proposed rule would also prove useful to legislative efforts to address GHG emissions. Because EPA does not yet know the specific policies that will be adopted, the data reported through the mandatory reporting system should be of sufficient quality to inform policy and program development. Also, consistent with the Appropriations Act, the reporting rule covers a broad range of sectors of the economy.

EPA has identified the following goals of the mandatory reporting system, including:

- Obtain data that is of sufficient quality that it can be used to analyze and inform the development of a range of future climate change policies and potential regulations.
- Balance the rule's coverage to maximize the amount of emissions reported while excluding small emitters.
- Create reporting requirements that are, to the extent possible and appropriate, consistent with existing GHG reporting programs in order to reduce reporting burden for all parties involved.

2(b) Practical Utility/Users of the Data

A mandatory reporting system for petroleum and natural gas systems will benefit EPA, other government agencies, and the public. Transparent, public data on emissions allows for accountability of polluters to the public stakeholders who bear the cost of the pollution. Citizens, community groups, and labor unions have made use of data from Pollutant Release and Transfer Registers to negotiate directly with polluters to lower emissions, circumventing greater government regulation. Publicly available emissions data also will allow individuals to alter their consumption habits based on the GHG emissions of producers.

Benefits to industry of GHG emissions monitoring include the value of having independent, verifiable data to present to the public to demonstrate appropriate environmental stewardship, and a better understanding of their emission levels and sources to identify opportunities to reduce emissions. Such monitoring allows for inclusion of standardized GHG data into environmental management systems, providing the necessary information to achieve and disseminate their environmental achievements.

Information collected from the oil and gas facilities will allow EPA to gain a better understanding of the entire CO₂ capture and sequestration (CCS) system. The data reported under the proposed rulemaking and subsequent regulatory actions will together enable EPA to understand the amount of CO₂ supplied, emitted, and sequestered in the U.S., to carry out a wide

variety of CAA provisions. These data can also be coupled with efforts at the local, state, federal, and international levels to assist corporations and facilities in determining their carbon footprints and identifying further opportunities to reduce emissions. These data can also inform future climate change policy decisions.

The rule is not intended to be a survey and the respondents affected by the rule are not intended to be a statistical sample of a larger universe of entities. EPA does not intend to use the data collected under this rule to characterize non-reporting entities or to draw statistical inferences about a larger population.

3. NONDUPLICATION, CONSULTATIONS, AND OTHER COLLECTION CRITERIA

3(a) Nonduplication

In developing the initial proposal for mandatory reporting from petroleum and natural gas systems that was released in April 2009, as well as this supplemental proposed rulemaking, EPA reviewed monitoring methods included in international guidance (e.g., Intergovernmental Panel on Climate Change), as well as Federal voluntary programs (e.g., EPA Natural Gas STAR Program and the U.S. Department of Energy Voluntary Reporting of Greenhouse Gases Program (1605(b))), corporate protocols (e.g., World Resources Institute and World Business Council for Sustainable Development GHG Protocol) and industry guidance (e.g., methodological guidance from the American Petroleum Institute, the Interstate Natural Gas Association of America, and the American Gas Association).

EPA also reviewed State reporting programs (e.g., California and New Mexico) and Regional partnerships (e.g., The Climate Registry, the Western Regional Air Partnership). These are important programs that not only led the way in reporting of GHG emissions before the Federal government acted but also assist in quantifying the GHG reductions achieved by various policies. Many of these programs collect different or additional data as compared to this proposed rule. For example, State programs may establish lower thresholds for reporting, request information on areas not addressed in EPA's reporting rule, or include different data elements to support other programs.

Documentation of EPA's review of GHG monitoring protocols used by federal, state, and international voluntary and mandatory GHG programs, and the review of state mandatory GHG rules, can be found in the docket at EPA-HQ-OAR-2008-0508-056. A few of these programs are described below:

- EPA reviewed the *Inventory of U.S. Greenhouse Gas Emissions and Sinks* (Inventory), which is an annual comprehensive top-down assessment of national greenhouses gas emissions. While the Inventory is compiled from national surveys, which are not broken down at the geographic or facility level, the rule focuses on bottom-up data from individual facilities that exceed appropriate thresholds. The bottom-up approach to data

collection in the proposed rule can help EPA transition to the Intergovernmental Panel on Climate Change (IPCC) 2006 guidelines for capture, transport, and geological storage at the appropriate time. In addition, the emissions factor being used in the 2008 U.S. GHG Inventory is believed to significantly underestimate emissions based on industry experience as included in the Natural Gas STAR Program publicly available information. The 2008 U.S. GHG Inventory emissions factor was developed prior to the boom in unconventional well drilling (1992) in the absence of any field data, and therefore does not capture the diversity of well completion and workover operations or the variance in emissions that can be expected from different hydrocarbon reservoirs in the country.

- The Agency also examined the voluntary GHG registry that the U.S. Department of Energy's (DOE's) Energy Information Administration (EIA) implements under §1605b of the Energy Policy Act. Under EIA's "1605b program," reporters can choose to prepare an entity-wide greenhouse gas inventory and identify specific greenhouse gas reductions made by the entity. EPA's mandatory GHG reporting rule covers a much broader set of reporters, primarily at the facility rather than entity-level, but this reporting rule is not designed with the specific intent of reporting of emission reductions, as is the 1605(b) program.
- The DOE also administers the Climate Vision program (Voluntary Innovative Sector Initiatives: Opportunities Now), whose goal includes accelerating the transition to technologies, practices, and processes that are capable of reducing, capturing, or sequestering GHGs. All voluntary reporting under the Climate Vision Program is covered under 1605(b), and as such, it also does not meet EPA's needs for mandatory reporting.

A growing number of programs at the state, tribal, territorial, and local level require emission sources in their respective jurisdictions to monitor and report GHG emissions. To reduce burden on reporters and program agencies, the Agency will share emissions data with the exception of any confidential business information (CBI) data with relevant agencies or approved entities using, where practical, shared tools and infrastructure.

3(b) Public Notice Required Prior to Information Collection Request (ICR) Submissions to OMB

As part of the Federal Register notice on the proposed regulation, EPA solicited comments on this information collection and the estimates in the proposed ICR for the Mandatory GHG Reporting Rule (74 FR 16448), which included the original proposal for subpart W. Although EPA did not receive any comments specifically addressing the ICR for the proposed rule, EPA received a substantial number of comments on the recordkeeping and reporting requirements in this initial proposal for petroleum and natural gas systems. EPA reviewed and considered comments submitted on the previous proposal in drafting this proposed supplemental rulemaking. However, as this is a new proposal, EPA is not responding to comments on the earlier version of this rule.

In proposing the revised requirements for petroleum and natural gas systems, EPA is again soliciting comments on specific aspects of the information collection, as described below:

- 1) Whether the proposed collection of information is necessary for the proper performance of the functions of the Agency, including whether the information would have practical utility;
- 2) Whether the Agency's burden estimate is accurate, including the validity of the methodology and assumptions used;
- 3) How to enhance the quality, utility, and clarity of the information to be collected; and
- 4) How to minimize the burden on respondents, including use of appropriate automated electronic, mechanical, or other technological collection techniques or other forms of information technology.

In compliance with the Paperwork Reduction Act (44 USC 3501 *et seq.*), EPA submitted this ICR for the proposed GHG Regulation to the Office of Management and Budget (OMB) for review and approval.

3(c) Consultations

During the development of the mandatory GHG reporting rule, EPA conducted a proactive communications outreach program to inform the public about the rule development effort. EPA staff held more than 100 meetings with stakeholders, including:

- Trade associations and firms in potentially affected industries/sectors;
- State, local, and tribal environmental control agencies and regional air quality planning organizations;
- State and regional organizations already involved in GHG emissions reporting, such as The Climate Registry, California Air Resources Board, and the Western Climate Initiative; and

- Environmental groups and other nongovernmental organizations.

EPA also met with federal agencies, including DOE and the U.S. Department of Agriculture, which have programs relevant to GHG emissions.

The Proposed Mandatory Reporting of Greenhouse Gases Rule was signed on March 10, 2009 by Administrator Lisa Jackson and published in the Federal Register on April 10, 2009 (74 FR 16448). EPA held two public hearings, on April 6 and 7, 2009, in Arlington, Virginia, and on April 16, 2009, in Sacramento, California. In addition, EPA met with over 4,000 additional people in over 150 groups via webinars, conferences, individual meetings, and other forms of outreach. Details of these meetings are available in the docket (EPA-HQ-OAR-2008-0508).

EPA received approximately 16,800 comments during the sixty day comment period, 15,800 of which were identical mass mailers. EPA received comments from over 80 organizations and over 1,200 pages of formal comments on the Petroleum and Gas Systems Initial Proposed Rule. Some comments focused on the significant cost burden that the April 2009 proposed rule would impose on petroleum and natural gas systems, whereas others focused on whether certain sources, such as onshore production and distribution, that were not included in the initial proposal, should be included.

EPA has reviewed the suggestions raised by stakeholders within and outside the petroleum and natural gas industry related to emissions coverage and the level of cost burden in this sector. In response, EPA is proposing Subpart W, a new supplemental rule for petroleum and natural gas systems that now incorporates all segments of the petroleum and gas industry, adding onshore production and distribution.

EPA reviewed and considered comments submitted on the previous proposal in drafting this proposed supplemental rulemaking. For example, in addition to expanding emissions coverage under the proposed supplemental rule, EPA has assessed a number of alternative methodologies that were either recommended by commenters or are known to provide effective quantification of emissions at a significantly lower cost burden.

3(d) Effects of Less Frequent Collection

The reporting frequency for emissions data to EPA has been established to minimize the burden on owners and operators of affected facilities, while ensuring that the reporting rule collects facility-specific data of sufficient quality to achieve the Agency's objectives. EPA proposes that emissions from the petroleum and natural gas industry be reported on an annual basis, except where existing programs must provide data on a more frequent basis. If the information collection were not carried out on this schedule, the Agency would not be able to develop an informed tracking system of trends in GHG emissions across the country. The year-by-year GHG emissions information from a broad range of industry sectors may eventually be used to inform future climate change policy decisions.

3(e) General Guidelines

This collection of information is consistent with all OMB guidelines under 5 CFR 1320.6.

3(f) Confidentiality

In general, emission data collected under §114 and §208 of the CAA cannot be declared CBI. However, if any CBI is reported under this GHG reporting rule, EPA would protect CBI in accordance with regulations in 40 CFR Chapter 1, part 2, subpart B. Although CBI determinations are usually made on a case-by-case basis, EPA has issued guidance on what constitutes emissions data that cannot be considered CBI (956 FR 7042 –7043, February 21, 1991).

3(g) Sensitive Questions

This information collection does not ask any questions concerning sexual behavior or attitudes, religious beliefs, or other matters usually considered private.

4. THE RESPONDENTS AND THE INFORMATION REQUESTED

The respondents in this information collection include operators of petroleum and natural gas facilities that must report their emissions to EPA to comply with the rulemaking. This section lists the industry sectors that must comply with the rule, the data items required of program participants, and the activities in which participants must engage to collect, assess, and in some cases submit the required data items.

4(a) Respondents/North American Industrial Classification Systems (NAICS) Codes

Reporting facilities for Subpart W include, but are not limited to, those operating one or more units that exceed the CO₂e threshold for the industry sectors listed below.

The industry sectors for Subpart W are listed below and its NAICS code is provided for reference.

Part and Subpart	NAICS code(s)
Part 98	
W. Petroleum and Natural Gas Systems	486210 Pipeline transportation of natural gas. 221210 Natural gas distribution facilities. 211 Extractors of crude petroleum and natural gas. 211112 Natural gas liquid extraction facilities.

4(b) Information Requested

(i) Data Items

Reporting Requirements

The following is a summary of the information requested by facilities that would be subject to subpart W:

General requirements that apply to all sources. All respondents that exceed the reporting threshold or that belong to a source category in which all respondents report, including subpart W, must submit the general information required in 40 CFR 98.3 and adhere to the reporting, certification, and notification requirements in 40 CFR 98.4 and 40 CFR 98.2, if applicable. EPA is not proposing any changes to these requirements. This information is described in the ICR for the Mandatory Reporting of Greenhouse Gases; Final Rule (EPA ICR No. 2300.03). In addition, the owner or operator of a facility that exceeds the threshold specific to subpart W must report emissions annually from all source categories present at the facility for which methods are specified in 40 CFR part 98.

Petroleum and natural gas systems under Subpart W. Annual emissions must be reported separately for each of the facilities. Within each facility, emissions from each source type must be reported in the aggregate, unless specified otherwise. Also, each facility must report the minimum, maximum and average throughput for each operation.

1. Onshore petroleum and natural gas production basins.
2. Offshore petroleum and natural gas production facilities.
3. Onshore natural gas processing facilities.
4. Onshore natural gas transmission compression facilities.
5. Underground natural gas storage facilities.
6. LNG storage facilities.
7. LNG import and export facilities.
8. Natural gas distribution facilities will report each source in the aggregate for pipelines and M&R stations.

Applicable petroleum and natural gas facilities must also report:

1. Report emissions separately for standby equipment.
2. Emissions calculated for these sources shall assume no CO₂ capture and transfer off site.
3. Report activity for each aggregated source type level for which emissions are being reported at facility level or company level or basin level as appropriate as follows:
 - a. Count of natural gas pneumatic high bleed devices.
 - b. Count of natural gas pneumatic low bleed devices.
 - c. Count of natural gas driven pneumatic pumps.
 - d. For each acid gas removal unit report the following:
 - i. Total volume of natural gas flow into the acid gas removal unit.

- ii. Total volume of natural gas flow out of the acid gas removal unit.
 - iii. Volume weighted CO₂ content of natural gas into the acid gas removal unit.
- e. For each dehydrator unit report the following:
 - i. Glycol dehydrators:
 - 1. Glycol dehydrator feed natural gas flow rate.
 - 2. Glycol dehydrator absorbent circulation pump type.
 - 3. Glycol dehydrator absorbent circulation rate.
 - 4. Whether stripper gas is used in glycol dehydrator.
 - 5. Whether a flash tank separator is used in glycol dehydrator.
 - ii. Desiccant dehydrators:
 - 1. The number of desiccant dehydrators operated.
- f. Count of wells vented to the atmosphere for liquids unloading for each field in the basin.
- g. Count of wells venting during well completions for each field in the basin.
 - i. Number of conventional completions.
 - ii. Number of completions involving hydraulic fracturing.
- h. Count of wells venting during well workovers for each field in the basin.
 - i. Number of conventional well workovers involving well venting to the atmosphere.
 - ii. Number of unconventional well workovers involving well venting to the atmosphere.
- i. For each compressor blowdown vent stack report the following for each compressor:
 - i. Type of compressor whether reciprocating or centrifugal.
 - ii. Compressor capacity in horse powers.
 - iii. Volume of gas between isolation valves.
 - iv. Number of blowdowns per year.
- j. For each estimate of gas emitted from liquids sent to atmospheric tank using E&P Tank report the following:
 - i. Immediate upstream separator temperature and pressure.
 - ii. Sales oil API gravity.
 - iii. Estimate of individual tank or tank battery capacity in barrels.
 - iv. Oil, hydrocarbon condensate and water sent to tank(s) in barrels.
 - v. Control measure: either vapor recovery system or flaring of tank vapors.
- k. For tank emissions identified using optical gas imaging instrument per §98.234 (a), report the following for each tank:
 - i. Immediate upstream separator temperature and pressure.
 - ii. Sales oil API gravity.
 - iii. Tank capacity in barrels.
 - iv. Tank throughput in barrels.

- v. Control measure: either vapor recovery system or flaring of tank vapors.
 - vi. Optical gas imagining instrument used.
 - vii. Meter used for measuring emissions.
 - viii. List of emissions sources routed to the tank.
- l. For well testing report the following for each field in the basin:
 - i. Number of wells tested in reporting period.
 - ii. Average gas to oil ratio for each field.
 - iii. Average flow rate during testing for each field.
 - iv. Average number of days the well is tested.
 - v. Whether the hydrocarbons produced during testing are vented or flared.
 - m. For associated natural gas venting report the following for each field in the basin:
 - i. Number of wells venting or flaring associated natural gas in reporting period.
 - ii. Average gas to oil ratio for each field.
 - iii. Average volume of oil produced per well per field.
 - iv. Whether the associated natural gas is vented or flared.
 - n. For flare stacks report the following for each flare:
 - i. Whether flare has a continuous flow monitor.
 - ii. If using engineering estimation methods, identify sources of emissions going to the flare.
 - iii. Whether flare has a continuous gas analyzer.
 - iv. Identify proportion of total natural gas to pure hydrocarbon stream being sent to the flare annually for the reporting period.
 - v. Flare combustion efficiency.
 - o. For well venting for liquids unloading report the following by field, basin, and well tubing size:
 - i. Number of wells being unloaded for liquids in reporting year.
 - ii. Average number of unloading(s) per well per reporting year.
 - iii. Average volume of natural gas produced per well per reporting year during liquids unloading.
 - p. For well completions and workovers report the following for each field in the basin:
 - i. Number of wells completed (worked over) in reporting year.
 - ii. Average number of days required for completion (workover).
 - iii. Average volume of natural gas produced per well per reporting year during well completion (workover).
 - q. For compressor wet seal degassing vents report the following for each degassing vent:
 - i. Number of wet seals connected to the degassing vent.
 - ii. Number of compressors whose wet seals are connected to the degassing vent.

- iii. Total throughput of compressors whose wet seals are connected to the degassing vent.
 - iv. Type of meter used for making measurements.
 - v. Whether emissions estimate is based on a continuous or one time measurement.
 - vi. Total time the compressor(s) associated with the degassing vent stack is operating. Sum the hours of operation if multiple compressors are connected to the vent stack.
 - vii. Proportion of vent gas recovered for fuel gas or sent to a flare.
 - r. For reciprocating compressor rod packing report the following per rod packing:
 - i. Total throughput of the reciprocating compressor whose rod packing emissions is being reported.
 - ii. Total time in hours the reciprocating compressor is in operating mode.
 - iii. Whether or not the rod packing case is connected to an open ended line.
 - iv. If rod packing is connected to an open ended line, report type of device used for measurement emissions.
 - v. If rod packing is not connected to an open ended vent line, report the locations from where the emissions from the rod packing emissions to the atmosphere are detected.
 - s. For fugitive emissions sources using emission factors for estimating emissions report the following by facility:
 - i. Component count for each fugitive emissions source.
 - ii. CH₄ and CO₂ in produced natural gas for onshore petroleum and natural gas production.
 - t. For EOR injection pump blowdown report the following per pump:
 - i. Pump capacity.
 - ii. Volume of gas between isolation valves.
 - iii. Number of blowdowns per year.
 - iv. Supercritical phase EOR injection gas density.
 - u. For hydrocarbon liquids dissolved CO₂ report the following for each field in the basin:
 - i. Volume of crude oil produced.
 - v. For produced water dissolved CO₂ report the following for each field in the basin:
 - i. Volume of produced water produced.
4. For offshore petroleum and natural gas production facilities, the number of connected wells, and whether the wells are producing oil, gas, or both.

Recordkeeping Requirements

General requirements that apply to all sources. EPA is not proposing any changes to the general recordkeeping requirements that apply to all sources, including Subpart W. This information is described in the ICR for the Mandatory Reporting of Greenhouse Gases; Final Rule (EPA ICR No. 2300.03). In addition, the owner or operator of a facility that exceeds the threshold specific to subpart W must comply with recordkeeping requirements associated with the specific subparts.

Petroleum and natural gas facilities under Subpart W. Petroleum and natural gas facilities must also retain records for the following information specific to the given source category.

1. Dates on which measurements were conducted.
2. Results of all emissions detected and measurements.
3. Calibration reports for detection and measurement instruments used.
4. Inputs and outputs of calculations or emissions computer model runs used for engineering estimation of emissions.

(ii) Respondent Activities

The owner or operator of a facility that is subject to the rule's reporting requirements must report total annual GHG emissions in metric tons of CO₂e from all the source categories at the facility. The primary tasks that reporting program respondents will perform include:

1. Developing appropriate monitoring plans for each affected source and each affected unit at a source, as applicable;
2. Operation and maintenance activities associated with the monitoring, including quality assurance activities;
3. Ensuring data quality, preparing annual reports of emissions data, and submitting these reports to EPA;
4. Potentially responding to questions or error messages from EPA; and
5. Maintaining records for a minimum of three years. In addition, respondents must purchase the necessary monitoring hardware and purchase the electronic data reporting software (or software upgrades) if they had not done so for another reporting program.

Reports must present the annual mass GHG emissions from each source category separately. The calculations used to determine GHG emissions, the frequency at which those calculations are required, the methods used to estimate missing data, and the QA/QC requirements depend on the specific source category.

5. THE INFORMATION COLLECTED – AGENCY ACTIVITIES, COLLECTION METHODS, AND INFORMATION MANAGEMENT

5(a) Agency Activities

EPA Headquarters activities associated with the rule include program start-up activities are reflected in the ICR for the Final Mandatory Reporting Rule (EPA ICR No. 2300.03). This ICR reflects an incremental agency burden for program operation activities, which include monitoring and verification of emission reports, database and software maintenance, communication and outreach, and program evaluation.

5(b) Collection Methodology and Management

EPA will establish a central repository of inventory data for all respondents. Respondents will report data electronically, and EPA will store the data in the database. The electronic format, which will reflect the underlying electronic data reporting system, will be developed prior to the first reporting date. By specifying in the rule text the exact information that must be reported but not specifying the exact reporting format, EPA informs reporters about exactly what information they must report and has flexibility to modify the electronic reporting format and electronic data reporting system in a timely manner based on implementation experience and new technology. EPA has used this approach successfully in existing programs, such as the Acid Rain Program and the Title VI Stratospheric Ozone Protection Program, facilitating the deployment of new reporting formats and reporting systems that take advantage of technologies such as eXtensible Markup Language (XML), and reduce the burden on reporters and the Agency. The electronic reports submitted under this rule are subject to the provisions of 40 CFR part 3, specifying EPA systems to which electronic submissions must be made and the requirements for valid electronic signatures.

The Designated Representative must use an electronic signature device (e.g., a PIN or password) to submit a report. If the Designated Representative holds an electronic signature device that is currently used for valid electronic signatures accepted under another Agency program, EPA intends to design the new reporting system to also accept valid electronic signatures executed with that device where feasible.

EPA's reporting format for a given reporting year could make use of several ID codes – unique codes for a unit or facility. To ensure proper matching between databases, e.g., EPA-assigned facility ID codes and the ORIS (DOE) ID code, and consistency from one reporting year to the next, we plan for the reporting system to provide each facility with a unique identification code to be specified by the Administrator.

The Agency plans to publish data submitted or collected under this rulemaking through EPA's Web site, reports, and other formats (e.g., XML), with the exception of any CBI data. The data could be used by EPA and other agencies, and other organizations and stakeholders for air modeling, analyzing emissions by industry sector and region, informing future climate change policy decisions, and answering questions from the public. The new system will follow Agency standards for design, security, data element and reporting format conformance, and accessibility. In designing the data base, EPA will attempt to minimize respondents' burden by integrating the new reporting requirements with existing data collection and data management systems, when feasible.

5(c) Small Entity Flexibility

The Agency met several times with industry trade associations to discuss the reporting options considered and their possible impacts on small entities. In the final Mandatory GHG Reporting Rule, EPA took several steps to minimize the impacts on small entities, and these provisions would apply to facilities under subpart W. EPA further minimized impacts on small entities by not requiring facilities below a certain emissions threshold to report their emissions. In addition, the rule includes a mechanism in 40 CFR 98.2 to allow facilities and suppliers that report less than 25,000 mtCO₂e for 5 years to cease annual reporting to EPA. If reported emissions are less than 15,000 mtCO₂e per year for three consecutive years, then the owner or operator may discontinue reporting.

5(d) Collection Schedule

Under 40 CFR part 98, subpart W, facilities must submit GHG emission reports annually. Respondents that have emissions or products with emission less than 25,000 mtCO₂e for five years in a row may cease reporting.

6. ESTIMATING THE BURDEN AND COST OF THE COLLECTION

This section presents EPA's estimates of the burden and costs to respondents associated with the activities described in Section 4 as well as the federal burden hours and costs associated with the activities described in Section 5(a). EPA estimates that, over the three years covered by this request, the total respondent burden associated with this reporting will average 478,774 hours per year and the cost to respondents of the information collection will average \$37.8 million per year.

Section 6(a) of this ICR provides estimates of burden (hours) for all respondent types. Section 6(b) contains estimates of respondent costs for the information collection. Section 6(c) summarizes federal burden and costs. Section 6(d) describes the respondent universe and the

total burden and cost of this collection to respondents. Section 6(e) presents the bottom line burden and cost. The burden statement for this information collection is in Section 6(f).

6(a) Estimating Respondent Burden

Respondent burden estimates are presented in Exhibit 6.1. EPA estimates that the total annual burden to all affected entities is 478,774 hours per year over the three years covered by this information collection. EPA also estimated the number of responses, or actions taken as a result of the rule, per respondent (facility) per year; for facilities collecting samples on a daily basis, this means a minimum of 365 responses per year. Exhibit 6.1 presents aggregate burden by sector only; for the details of burden calculations, please see Appendix A.

6(b) Estimating Respondent Costs

Costs to respondents associated with this information collection include labor costs (i.e., the cost of labor by facility staff to meet the rule's information collection requirements) and non-labor costs (e.g., the cost of purchasing and installing monitoring equipment or contractor costs associated with providing the required information).

To calculate labor costs, EPA estimated technical, managerial, clerical, and legal loaded labor rates for each industry sector using labor rates from the Bureau of Labor Statistics^[1] and applying a 60% loading factor^[2]; these rates vary somewhat by sector. For Subpart W, the labor rates are: \$88.79 for electricity managers; \$101.31 for refinery managers, \$71.03 for industrial managers; \$60.84 for electricity engineers/technicians, \$63.89 for Refinery Engineers/Technicians, and \$55.20 for Industrial Engineers/Technicians; \$29.65 for clerical staff, and \$101.00 for legal staff. Non-labor costs (capital and O&M) for individual sectors are presented in Appendix C.

EPA estimates that the total annual cost to all affected non-federal entities is \$37.8 million over the three years covered by this information collection. Exhibit 6.1 presents aggregate costs by sector only; for the details of EPA's cost calculations, please see Appendix B.

^[1] These rates reflect adjustments of the manufacturing sector's average productivity increase of 3.7% per year for 6 quarters between 2006 Q2 and 2007 Q4, based on the estimate released by the Bureau of Labor Statistics in March 2008.

^[2] The ICR Handbook (November 2005) recommends using a multiplier of 1.6 to account for benefits and overhead related to government wages; this is considered a conservative estimate (potentially high) for the private sector.

Exhibit 6.1 Annual Average Respondent Burden and Cost For Subpart W of the GHG Reporting Rule (\$K)

Source Category	No. Respondents	Responses/Respondent	Total Responses	Burden - Technical (hrs)	Burden - Managerial (hrs)	Burden - Clerical (hrs)	Burden - Legal (hrs)	Total Burden (hrs)	Total Labor Cost (\$K)	Capital Cost (\$K)	O&M Cost (\$K)	Total Cost (\$K)
Gas Processing	289	2	394	31,589	5,061	0	0	36,650	\$2,428	\$1,508	\$145	\$4,081
Transmission Compressor Stations	1,145	2	1,487	109,450	7,531	0	0	116,981	\$7,610	\$2,841	\$1,154	\$11,605
Storage	133	2	215	16,480	2,988	0	0	19,468	\$1,307	\$270	\$110	\$1,686
Lng Terminals	4	2	4	399	65	0	0	463	\$33	\$12	\$8	\$52
Onshore Production	1,233	2	2,466	204,601	45,000	0	0	249,600	\$18,048	\$471	\$0	\$18,518
Local Distribution Companies	143	2	143	12,031	1,840	0	0	13,871	\$924	\$74	\$177	\$1,175
Lng Storage	33	2	64	3,288	1,002	0	0	20,769	\$300	\$77	\$26	\$403
Offshore Production	58	2	102	2,633	1,327	0	0	20,971	\$286	\$0	\$0	\$286
TOTAL	3,038	Varies	4,875	380,471	64,814	0	0	478,774	\$30,934	\$5,251	\$1,620	\$37,806

6(c) Estimating Agency Burden and Cost

This section describes the burden and cost to the federal government associated with this information collection. Federal activities under this information collection include EPA Headquarters oversight of the reporting program and required reporting by federally owned GHG generating facilities.

EPA burden and cost

EPA activities associated with the mandatory GHG reporting rule include Headquarters oversight and implementation of the reporting program, e.g., monitoring and verification of emission reports, database and software maintenance, communication and outreach, and program evaluation. EPA estimates that, in implementing subpart W, Headquarters will incur an incremental burden of 4 full time equivalents (FTEs), or just over \$417,000 for these activities.

To develop EPA labor costs, EPA estimates the average hourly labor rate for salary and overhead and benefits for Agency staff to be \$50.14. To derive this figure, EPA multiplied the hourly compensation at GS-12, Step 5 on the 2008 GS pay scale (\$31.34) by the standard government benefits multiplication factor of 1.6 to account for overhead and benefits.

In addition to the labor cost, EPA will incur an incremental cost of just under \$800 thousand in each of the first three years for third-party verification.

Burden and cost for federal facilities covered by the rule

Exhibit 6.2 presents the annual burden and cost for federal facilities that must comply with the rule.

Exhibit 6.2 Annual Agency Burden and Cost (\$K)

Information Collection Activity	Annual Responses	Total Annual Burden	Labor Cost	Non-Labor Cost	Total Annual Cost
W. Petroleum and Natural Gas Systems	1	8320	\$417	\$783	\$1,200
TOTAL	1	8320	\$417	\$783	\$1,200

6(d) Estimating the Respondent Universe and Total Burden and Costs

The number of respondents in each sector that will perform the required activities under this information collection is presented in Exhibit 6.1.

6(e) Bottom Line Burden Hours and Costs

The bottom line burden hours and costs are shown in Exhibit 6.3.

Exhibit 6.3 Bottom Line Annual Burden and Cost

Number of Respondents	3,038		From Exhibit 6.1
Total Annual Responses	4,875		From Exhibit 6.1
Number of Responses per Respondent	1.6 =	4,875	Total annual responses from above ÷ 3,038 Total respondents from above
Total Respondent Hours	478,774		From Exhibit 6.1
Hours per Response	98.21 =	478,774	Total annual hours from above ÷ 4,875 Total responses from above
Annual O&M and Capital Cost	\$6,871,223		From Exhibit 6.1
Total Respondent Cost (labor + non)	\$37,805,571		From Exhibit 6.1
Total Hours (Respondents and agency)	487,094 =	478,774	Total respondent hours from above + 8,320 Total EPA hours
Total Cost (Respondents plus Agency)	\$39,005,571 =	\$37,805,571	Total respondent cost from above + \$1,200,000 Total EPA cost

Note: Detail may not add exactly to total due to independent rounding.

6(f) Burden Statement

The respondent reporting burden for this collection of information is estimated to average 478,774 hours per year for a three year period, including a first year where initial labor and capital costs are anticipated, and two subsequent years in which identical annual costs are anticipated. The average annual burden to EPA for this period is estimated to be 8,320 hours for oversight activities for other federal facilities that must comply with the rule. The annual public reporting and recordkeeping burden for this collection of information is estimated to average 98.2 hours per response. Burden means the total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a federal agency. This includes the time needed to review instructions; develop, acquire, install, and utilize technology and systems for the purposes of collecting, validating, and verifying information, processing and maintaining information, and disclosing and providing information; adjust the existing ways to comply with any previously applicable instructions and requirements; train personnel to respond to a collection of information; search data sources; complete and review the collection of information; and transmit or otherwise disclose the information.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The OMB control numbers for EPA's regulations are listed in 40 CFR part 9.

To comment on the Agency's need for this information, the accuracy of the provided burden estimates, and any suggested methods for minimizing respondent burden, including the use of automated collection techniques, EPA has established a public docket for this ICR under Docket ID Number EPA-HQ-OAR-2008-0508, which is available for online viewing at <http://www.regulations.gov>, or in person viewing at the Air and Radiation docket in the EPA Docket Center (EPA/DC), EPA West Building, Room 3334, 1301 Constitution Avenue, NW, Washington, D.C. The EPA Docket Center Public Reading Room is open from 8:30 a.m. to 4:30 p.m., Monday through Friday, excluding legal holidays. The telephone number for the Reading Room is (202) 566-1744, and the telephone number for the Air and Radiation docket is (202) 566-1742. An electronic version of the public docket is available at <http://www.regulations.gov>. This site can be used to submit or view public comments, access the index listing of the contents of the public docket, and to access those documents in the public docket that are available electronically. When in the system, select "search," then key in the Docket ID Number identified above. Also, you can send comments to the Office of Information and Regulatory Affairs, Office of Management and Budget, 725 17th Street, NW, Washington, D.C. 20503, Attention: Desk Officer for EPA. Please include the EPA Docket ID Number EPA-HQ-OAR-2008-0508 and OMB Control Number 2060-NEW on any correspondence.