

**EPA'S RESPONSE TO COMMENTS ON THE GREENHOUSE GAS REPORTING PROGRAM RENEWAL ICR
MAY 2013**

EPA received two sets of comments on the November 2012 Federal Register Notice for the renewal Information Collection Request (ICR) for the Greenhouse Gas Reporting Program (GHGRP). The comments were submitted by the American Petroleum Institute (API) and Daimler Trucks North America LLC (DTNA). Excerpts from the API and DTNA comments and EPA's responses are listed below.¹

NECESSITY OF THE INFORMATION COLLECTION

Comment 1 (API)

API original comment: As stated previously by API in its response to comments of June 9, 2009 (Docket ID No. EPA-HQ-OAR-2008-0508), EPA is over-reaching its authority under Clean Air Act Sections 114 and 208. As explained in greater detail in Section IV of those comments, these provisions do not authorize the indefinite and burdensome monitoring, recordkeeping, and reporting from most sectors of the economy. As EPA has acknowledged, the GHGRP was proposed in response to the 2008 Consolidated Appropriations Act, which invoked EPA's authority under the Clean Air Act to collect information about greenhouse gas emissions to the atmosphere.

In the document titled 'Supporting Statement A', EPA is presenting its case for the on-going annual collection of GHG emissions data. It states, "Because EPA does not yet know the specific policies that will be adopted, the data reported under the GHGRP is of sufficient quality to inform policy and program development. The requirements in the GHGRP maximize the amount of emissions reported while excluding small emitters and are consistent with existing GHG reporting programs in order to reduce reporting burden for all parties involved. Also, consistent with the Appropriations Act, the GHGRP covers a broad range of sectors of the economy."

API continues to maintain, as previously communicated to EPA, that since the legislative mandate for this data collection was to guide policy decisions and future legislation, the rationale put forward by EPA does not justify the sustained burden of annual data collection.

EPA's Response: Sections 114 and 208 of the Clean Air Act (CAA) provide EPA authority to require the information mandated by the Greenhouse Gas Reporting Program (GHGRP) because such data will inform and are relevant to future policy decisions. CAA section 114(a)(1) authorizes the Administrator to require emissions sources, persons subject to the CAA, or persons whom the Administrator believes may have necessary information to monitor and report emissions and provide such other information the Administrator requests for the purposes of carrying out any provision of the CAA (except for a provision of title II with respect to manufacturers of new motor vehicles or new motor vehicle engines). Section 208 of the CAA provides EPA with similar authority regarding the manufacturers of new motor vehicles or new motor vehicle engines, and other persons subject to the requirements of parts A and C of title II. For these reasons, the Administrator may request that a person, on a one-time, periodic or continuous basis, establish and maintain records, make reports, install and operate monitoring equipment and, among other things, provide such information the Administrator may reasonably require.

¹ In their December 2012 comments, API provided redacted excerpts from API's original comments of August 2012 and redacted excerpts from EPA's responses to those comments. The full excerpts from API's original comments of August 2012 and full excerpts from EPA's responses to those comments are provided in this document.

API further comments: API does not take issue with EPA’s interpretation that the statute permits EPA to seek data when reasonably required; however, seeking this data on an annual basis is unreasonable. EPA has not explained why it believes that annual data collection is essential for future policy decisions, or why such decisions could not be developed based on less frequent data collection, or data collection for a limited period of years. Based on past experience by API member companies, the quantity of carbon dioxide equivalent (CO₂e) emissions typically does not vary from year to year in some industry segments while it may be more dynamic in others. An annual reporting requirement creates a substantial burden on the industry with seemingly little correlative gain for EPA’s awareness of the issues it seeks to understand. If industry were permitted to provide information, for example every three to five years, EPA would receive substantially the same benefit. A more frequent collection and reporting are simply not justified.

EPA’s response: EPA explained its rationale and responded to comments on the frequency of GHG reporting in the preamble to the final Part 98 rule that established the GHGRP.² As discussed in that preamble, EPA determined that annual reporting would be sufficient for policy development and was consistent with other existing mandatory and voluntary GHG reporting programs at the State and Federal levels. Annual reporting is helping EPA better understand facility- and sector- level GHG emissions and evaluate trends including factors that can impact data quality. As discussed in the preamble to the final Part 98 rule that established the GHGRP, it may be necessary to reconsider the reporting frequency as more information is collected and as future policies develop.

Comment 2 (DTNA)

The information requested by the Notice is not necessary for the proper performance of the functions of the Agency since the information requested by the GHGRP is already requested by EPA in a separate action and is being submitted as a requirement of the GHG14 rulemaking. Heavy-duty engine and vehicle manufacturers (HDEVMS) should not be subject to multiple ICRs requesting the same information. Clarity should be provided that HDEVMS are not covered under ICR-0629. Finally, it is unclear if this information will have practical utility.

This Notice does not take into account EPA’s GHG14 Reporting Requirements that Provide the Information Requested by ICR-0629

This ICR appears inconsistent with the memo released March 20, 2012, by the Administrator of OMB titled “Cumulative Effects of Regulations” which states, “Consistent with Executive Order 13563, and to the extent permitted by law, agencies should take active steps to take account of the cumulative effects of new and existing rules and to identify opportunities to harmonize and streamline multiple rules.”⁶ The memo goes on to describe that efforts should be taken to ensure against “unjustified, redundant, or excessive requirements.” To mandate the reporting of emissions data already required by EPA’s 2011 GHG14 final rulemaking is redundant.

Further, with both GHG14 and GHGRP requirements mandating that manufacturers submit CO₂, CH₄, and N₂O data, this request is also inconsistent with Section 3(a) “Nonduplication” of the Supporting Statement to this ICR which states that:

² Mandatory Reporting of Greenhouse Gases, Final Rule, 76 Fed. Reg. 56276 (Oct. 30, 2009).

“EPA evaluated existing GHG programs and the GHG data currently available to determine whether this request duplicates other information collections. In developing the GHGRP, EPA reviewed monitoring methods including: Federal Programs...”

DTNA respectfully submits that it appears EPA has not updated this effort since the 2009 timeframe when the original GHGRP was promulgated (note: GHG14 standards were finalized in 2011). No reference is made indicating that EPA reviewed the GHG14 rulemaking to ensure that this ICR is not duplicative.

Further, DTNA requests that to the extent possible, efforts to coordinate data requested in NHTSA’s recent proposed ICR be aligned with existing EPA collection efforts.⁷ The GHG14 rulemaking specifically includes provisions to reduce the burden to HDEVM allowing them to submit one final annual report to the EPA that provides the GHG information both EPA and NHTSA require.

HDEVM Should not be Subject to Multiple and Duplicative ICRs

In this Notice, EPA states that HDEVM are subject to three separate GHGRP ICRs:

- 1) OMB No. 2060-0629, “Regulation to Establish Mandatory Reporting of Greenhouse Gases.”⁸
- 2) OMB No. 2060-0678, “Control of Greenhouse Gas Emissions from New Motor Vehicles: Heavy-Duty Engine and Vehicle Standards.”⁹
- 3) OMB No. 2060-0104, “Certification and In-use Testing of Motor Vehicles: Revisions to Reduce Light-Duty Vehicle Emissions of Greenhouse Gases: Model Years 2017 - 2025.”^{10,11}

HDEVM’s should not be subject to any GHGRP ICRs as they are currently subject to GHG14 regulations that require reporting of CO₂, CH₄, and N₂O data annually; therefore ICR-0629 has no practical utility for the HDEVM sector.

This Notice is Unclear as to what the Intended Requirements (if any) are for HDEVM under ICR-0629

The Notice and SSA for ICR-0629 provide signals that HDEVM both are and are not included under this ICR renewal request.

Indications that HDEVM are covered by ICR-0629:

- The original and second renewal Notices for ICR-0629 both list HDEVM as “Respondents/Affected Entities.”
- The SSA published to support the second Notice states that HDEVM are intended to be covered by ICR-0629, as heavy-duty engines and vehicle manufacturers are listed as respondents in Section 4 “The Respondents and the Information Requested.”

Indications HDEVM are not covered by ICR-0629:

- The original Notice of renewal for ICR-0629 includes a list of ICRs that will be combined under ICR-0629, and this list does not include either ICR EPA identified as covering HDEVM (2060-0678 or 2060-0104).
- In section 6 of the SSA, “Estimating the Burden and Cost of the Collection” EPA states that they “removed [from the analysis for ICR-0629 the costs and burden to] heavy-duty engine manufacturers, in which are accounted for in other ICRs (OMB No. 2060-0104, ICR No. 0783.58 and OMB No. 2060-0678, ICR No. 2394.02).”

DTNA can only conclude that because HDEVMS were removed from the cost and burden analysis for ICR-0629, and because ICRs 2060-0104 and 2060-0678 identified in the SSA as HDEVMS ICRs are not listed as ICRs to be consolidated under ICR-6029 – that ICR-6029 does not cover HDEVMS. DTNA requests EPA remove references to HDEVMS in this renewal request and provide confirmation of this fact.

Practical Utility of the Collected Information

In 2009, the GHGRP became effective and established requirements that HDEVMS monitor and report GHG emissions including: CO₂ in 2011, CH₄ in 2012, and N₂O in 2013. EPA stated that one of the primary purposes of collecting this information from HDEVMS was to “inform” the process of setting future GHG standards. In September of 2011, EPA promulgated heavy-duty vehicle and engine GHG regulations, setting standards for CO₂, CH₄, and N₂O well in advance of when data was required to be collected and reported by HDEVMS, and before it could be analyzed by EPA to inform this standard setting process. As this data was not used to inform the GHG rulemaking, DTNA is concerned what purpose collecting this data will serve and would appreciate EPA’s assurance that this information collected (via any ICR) will serve to inform current and/or future GHG rulemaking efforts.

EPA’s response: It appears that the commenter misunderstood the scope of this information collection request renewal. As noted in the footnote to Exhibit 6.4 (summary of changes in annual burden), EPA removed heavy-duty engine manufacturers from this ICR renewal, as they are accounted for in other ICRs (OMB No. 2060-0104, ICR No. 0783.58 and OMB No. 2060-0678, ICR No. 2394.02).

ACCURACY OF EPA’S ESTIMATE OF BURDEN

Comment 3 (API)

API original comment: In reviewing EPA’s summary data in Exhibit 6.1 in the “Supporting Statement Part A: Information Collection Request for the Greenhouse Gas Reporting Program”, and the detailed listing of costs in Appendices E and I it is not clear how EPA developed the estimated burden hours and other costs (O&M and Capital) that are provided in the tables for each of the reporting Subparts. There is no description of the assumptions used for estimating burden and whether they are based on ‘models’, ‘reporting scenarios’ or actual information from reporting facilities.

EPA’s response: EPA gathered existing data from EPA, industry trade associations, states, and publicly available data sources (e.g., labor rates from the Bureau of Labor Statistics (BLS)) to characterize the processes, sources, segments, and facilities affected. Costs estimates were modeled using the data collected, engineering analysis, knowledge of existing facility conditions and activities, and an estimate of incremental activities required to comply with the GHGRP. EPA used facility counts from the 2010 reporting year to update the number of reporting facilities and existing cost analyses were used to ensure consistency of cost inputs and assumptions. For example, EPA’s CEMS “continuous emissions monitoring system” cost model was used to ensure cost consistency for Subpart W. In developing the cost estimates used for the Renewal ICR, EPA also considered cost data submitted in public comments on the proposed rule, as further discussed in Section VII.B.2 of the preamble of the final rule.

Capital and operation and maintenance (O&M) costs include the cost of purchasing and installing monitoring equipment or contractor costs associated with providing the required information. Equipment costs include both the initial purchase price of monitoring equipment and any facility or process modification that may be required. In the Renewal ICR, EPA adjusted the labor hours and labor

cost for each facility to recognize the completion of the one-time activities that occurred in the first year of data collection.

API further comments: The modeled cost estimates used by EPA fall short of representing the whole gamut of activities required in order to comply with the GHGRP, and in some cases exhibit a misunderstanding of how certain industrial sectors operate. For example, EPA assumes that for 2013-2015 the overall burden for Subpart W reporting will be lowered by 25.2%, which is not supported by industry data provided by API. Specifically, EPA recognizes that this industry sector will still incur capital costs (assumes only a 2% reduction for the 2013-2015 period), while it presumes that the O&M costs would be reduced to “zero”. This assumption is quite lacking since the oil and gas industry sector relies as a rule on external experts to support data collection, data archiving, analysis and reporting functions – and all of these are reflected in O&M costs. API’s data presented in the August 10th comments indicate that for Onshore Production facilities that are subject to Subpart W reporting, the continuing burden would average close to \$ 400,000 (ranging from to \$25,000 to \$ 1,500,000). At the same time, the O&M costs that are part of this burden estimate range from \$ 2,000 to 15,000, per basin-wide facility per year. An example of the type of O&M costs that would be incurred during the 2013-2015 period include the requirement to conduct a full inventory of pneumatic devices (starting in 2013), an effort that will require substantial contractor field support.

EPA’s response: EPA acknowledges that there will be continued costs for complying with the GHGRP. The costs for these activities are included in the burden analysis. In the burden analysis, the O&M cost of zero represented travel costs of zero associated with complying the GHGRP for the onshore production segment. O&M activities that incur costs from employee or contractor hours worked are included under the labor hours estimate, not under the O&M estimates. Similarly, upkeep and replacement of capital assets are included under the annualized capital costs.

Comment 4 (API)

API original comments: In order to assess the accuracy of EPA’s estimates API collected data from its members relating to reporting burden from four key Subparts, i.e. Subparts C, W, Y, and MM. The data provided by API members is based on actual GHGRP experience from the first round of reporting coupled with a projection of the burden starting with 2013 reporting, and allows for direct comparison of the estimated average burden tabulated by EPA. It is apparent from that comparison (see details in the Technical Annex below) that EPA significantly underestimates the burden of GHG reporting by as much as an order of magnitude or more. The detailed comparisons provided in the Technical Annex demonstrate these differences for the four high impact Subparts cited above (Subparts: C, W, Y, and MM) without attempting to extrapolate this to all Subparts nationwide.

EPA’s response: In response to the comments provided, EPA has adjusted labor estimates for the oil and gas industry to reflect the higher labor costs for the industry. EPA notes that the Agency’s overall methodology and assumptions were sound and relied on best available data to estimate the costs. See Response 4 [of the response to API’s original comments] for more information on labor rates.

Overall, EPA has determined that the cost estimates provided do not take into consideration the completion of one-time activities that occurred in the first year of data collection. The commenter is providing cost estimates for the 2010 and 2011 reporting years. These cost estimates are directly comparable to cost estimates EPA made for the 2010 and 2011 reporting year ICRs. In EPA’s cost estimates, EPA assumed the startup costs would be incurred during the first year of reporting. For

Subpart W, the first year of reporting is the 2011 reporting year. In the renewal ICR, EPA is not including the startup costs for the 2013 through 2015 reporting years because the startup costs should already be assumed by the facility. Even in cases of facilities using BMM, startup costs should be assumed prior to the 2013 reporting year. These costs will include the labor burden of planning, registration, and installing required equipment to comply with the rule. In comparing the commenter's cost estimates to EPA's cost estimates for the 2010 and 2011 reporting year, EPA finds that the commenter's cost estimates are comparable to EPA's cost estimate. Even for facilities that used BMM, it is expected that the majority of the startup costs would occur within the first couple years of reporting. As the startup costs were already included in the 2011 reporting year ICR costs, EPA finds that it would be duplicative to include the startup costs for the 2013 reporting year and beyond. While it is possible that facilities will apply for BMM for 2013 and beyond, EPA anticipates that the use of BMM in 2013 and beyond would not result in a burden increase.

EPA's estimate of labor hours is based on previous analyses of the costs of monitoring, reporting, and recordkeeping for other rules; information from the industry characterization on the number of units or process inputs and outputs to be monitored; and engineering judgment by industry and EPA industry experts and engineers. While the commenter provided a general categorization of the size of facilities in each segment, the cost estimates were only provided at the facility level, and EPA cannot evaluate if the facilities are representative of the industry as a whole. While the costs provided by the commenter are in some cases significantly higher than EPA's estimates, EPA is unable to determine from the commenter's submitted data what costs are incurred as a result of Part 98 and what costs are the result of normal business practices.

Complete details of the cost analyses are found in the Appendix E of the Renewal ICR, the regulatory impact analysis (RIA) for the final rule, and the economic impact analysis (EIA) for Subpart W. The Technical Support Documents (TSDs) for each source category provide a discussion of the applicable measurement technologies and any existing programs and practices.

See Responses 5 through 9 [of the response to API's original comments] for a more detailed response to the commenter's cost estimates.

API further comments: The estimate provided by API reflects actual cost incurred to date and future budgeting for the ongoing costs associated with monitoring, data collection and reporting. Initial one-time costs (i.e., startup costs) such as eGGRT and CDX registration, installation of equipment, and planning costs (e.g., identification of GHG related equipment, development of monitoring plan, etc.) were not included in the burden estimates provided in API's August 10th comments. API believes that costs based on actual burden information and companies' future budgeting are superior to engineering estimates and facility modeling.

API wants to reiterate that ongoing burden/costs associated with GHG Reporting include the following (all of these costs are directly related to Part 98 continuing compliance):

- Routine calibration of monitoring equipment. Ongoing maintenance and calibration is required for new equipment that was installed for the sole purpose of compliance with Part 98. Also, additional labor time is required to calibrate elevated instruments not originally intended for frequent calibration. The added burden includes time to build, inspect, and take down scaffolding as well as the time required to process the associated work permits. In addition, more time is needed for instrument technicians to conduct the calibrations when working at

heights. This additional labor time necessary for compliance with Part 98 results in increased labor costs.

- Sample collection, laboratory analysis and data entry. Although there are often multiple regulatory drivers for sampling frequency, it should be noted that in certain cases there are incremental costs pertaining to increased sampling/analysis related solely to compliance with Part 98.
- Program Maintenance and Quality Assurance Activities. Examples include periodic review/updates to GHG monitoring plan (related solely to Part 98), equipment calibration program maintenance, DCS tag maintenance, ongoing MOC review to identify any process changes that could impact the GHG Reporting program, compliance assessments.
- Ongoing training and skills update. Periodic training for field personnel collecting data and those involved in establishing and maintaining equipment inventories and calibration of equipment.
- Data compilation and emission calculations. This includes annual updates to emission calculation workbooks, missing data investigation, population of XML templates. All of these required labor hours relate solely to compliance with Part 98.
- Reporting: This includes annual data entry into eGGRT and/or file upload into CDX, data review/certification by Designated Representative, addressing follow-up questions from EPA. Also included in this category are registration updates which typically occur annually due to personnel reassignments (e.g., Agents, DRs, ADRs). All of these required labor hours relate solely to Part 98 compliance.

EPA's response: EPA acknowledges that all of the above activities are necessary costs for the continued compliance with the GHGRP. EPA also agrees that actual cost burden is superior to engineering estimation for cost analysis. However, the commenter does not break out the specific subsequent year costs in a manner that EPA can specifically identify the costs of continued compliance with the GHGRP. For example, separate from initial capital costs, the startup labor costs will include costs for establishing monitoring plans, developing reporting systems, and training employees to comply with the GHGRP. EPA is unable to distinguish these costs from the cost estimates reported by the commenter. For continued compliance with the GHGRP, EPA has sought to leverage existing industry practices to minimize added burden for complying with Part 98.

Comment 5 (API)

API original comment: In deriving labor costs EPA used average industrial labor rates for the classifications of technical, managerial, clerical and legal staff, based on the Bureau of Labor Statistics (BLS) data, as provided in Appendix F of the current docket. Notwithstanding differences in burden hours, EPA's use of average industrial labor rates alone may lead to more than a 10% underestimate of labor costs for the Oil & Gas Industry when comparing the rates used by EPA with those provided by BLS for specific industry sectors (BLS, May 2011, National Industry Specific Occupational Employment and Wage Estimates).

API collected data from its members on overall labor burden, and not by labor categories. Therefore, for ease of comparison of cost estimates the weighted average labor rates used by EPA for the various Subparts are also used in the API analysis, i.e. Subpart C - \$59; Subpart W - \$62; Subpart Y - \$58; and Subpart MM - \$70. In addition API's cost figures also include its members' projections for O&M costs, without quantification of capital expenditures that may be required in future years.

EPA's response: In EPA's prior cost analyses, labor rates across facilities and sectors were kept consistent across Part 98. Based on the information provided by the commenter, that the labor rates for oil and gas engineers are higher than the average industrial engineer rate, EPA has updated the labor rates for Subparts W, RR, and UU to use rates specific to the oil and gas industry. Reporting facilities in these source categories include offshore petroleum and natural gas production facilities, onshore petroleum and natural gas production facilities, 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, natural gas distribution facilities owned or operated by local distribution companies, facilities that inject carbon dioxide, and facilities that geologically sequester carbon dioxide. EPA believes the average industrial engineer rate is sufficient to cover the remainder of the source categories.

API further comments: API acknowledges the changes made by EPA to the oil and gas industry labor rates.

EPA's response: Thank you for your comment.

Comment 6 (API)

API original comment: For refineries, EPA estimates an average labor burden per respondent of 101 hours for combustion (Subpart C) and 394 for refinery processes (Subpart Y), or a total average burden of 495 hours per year for a refinery reporting under Subparts C and Y. Based on data received from 16 refineries operated by API members that burden could range from about 600 hours to over 8,000 hours per facility. This marked difference between API members' projections and EPA's estimates for labor hours are also reflected in the range of costs. While API members' estimate a range of costs from about \$21,000 to over \$500,000, for Subpart C, and from about \$7,500 to over \$290,000, for Subpart Y, EPA's average estimates are \$7,200 and \$25,534 for Subparts C and Y, respectively.

The more significant contributors to the range in GHG Reporting burden among refinery sites include the following.

- Facility size / complexity – Size and complexity includes overall refinery size, the complexity of its interlinked process units, and the number of process units per site. Large integrated complexes have more applicable requirements, for example Subpart C burden includes combustion units associated with chemical plant(s) that may be onsite, and the need to calibrate and track more equipment.
- Fuel gas system configuration – The site-specific refinery fuel gas systems design and layout would determine whether a facility is able to use the common pipe, common stack, or aggregation methodology, or not. This will determine the number of flowmeters that need to be calibrated and maintained and will contribute to the range of costs.
- Sampling frequency – Some sites are sampling more frequently than the minimum frequency required by the rule due to other regulatory drivers; however, all of the valid sample data is used for GHG reporting (as required by the GHGRP) therefore, the additional hours for sampling / analysis are included in the labor burden and costs.
- Elevated equipment – Sites with a large number of elevated meters and other monitoring equipment incur additional cost from having to build scaffolding to access the equipment for calibration.

EPA's response: EPA agrees with the commenter that refineries typically have numerous process units with complicated linkages. It is for this reason in part that EPA provided the flexibility to use the various reporting options under Subpart C. The aggregation of units reporting option allows facilities with multiple small units to aggregate the units into a single reporting group. The common pipe and common stack options allows facilities, in certain cases, to combine several units into a single monitoring and reporting group. For fuel gas systems that are required to use Tier 3, EPA permits the use of calibration and measurement standards that are consistent with industry standard practice. This allows facilities to use existing equipment, where available, to comply with Part 98. Although no reasons are given for the high outliers in the commenter's estimates, EPA notes that there is no requirement for refineries to use CEMS unless there is an existing CEMS that monitors flow rate and CO₂ concentration.

For electronic flow meters and sampling devices that measure data at a greater frequency than is specified in the rule, Part 98 does require the use of all available measurements. However, as these data are already retained in an electronic format from equipment that is required by other regulatory drivers, EPA finds that there is a minimal incremental cost related to Part 98 for the storage and retrieval of all measured data that already exists in an electronic format.

EPA does not include the costs of installing and maintaining monitors that have been previously required by other rules within the Part 98 renewal. For example, monitors for determining coke burn-off are required for fluid catalytic cracking units under 40 CFR Part 63 subpart UUU, and the costs of operating and maintaining these monitors are included in the ICR for that subpart. EPA does not double count those monitoring costs under this ICR, but rather it projects the incremental costs of using the already available data for the purposes of Part 98 reporting.

Aside from the considerations above, EPA cannot assess if the costs estimated by the commenter for refineries are consistent with the costs that are specific to complying with Part 98. EPA is unable to separate what costs are incurred as a result of complying with Part 98 from what costs result from normal operation or compliance with other environmental programs.

API further comments: It appears that EPA did not fully consider the significant factors that cause variability in the burden associated with GHG reporting. Facility size / complexity and fuel gas system configuration have a significant impact on monitoring and equipment calibration costs. It should be noted that in order to minimize burden, API members took advantage of the flexibility in calculation methodologies provided by EPA in the rule (e.g., common pipe, common stack, aggregation of units) and our burden estimate includes any cost savings that occurred from the use of these consolidated approaches to natural gas/fuel gas monitoring, where possible. In many instances facility layout does not permit utilizing such integrated approaches and companies are required to use more burdensome options. As discussed in greater detail under API's further comments to Issue # 3 above, the costs estimates provided to EPA reflect costs for on-going compliance under subpart 98 and not the original set-up costs.

EPA's response: As noted in the response to Comment 4, the commenter does not break out the specific subsequent year costs in a manner that EPA can identify the costs of continued compliance with the GHGRP. EPA provided a number of reporting options under subpart C for the purpose of simplifying reporting as much as possible. EPA acknowledges that for larger units that burn specific fuels, some of this flexibility is not available. Therefore EPA sought to allow maximum flexibility in the calibration and quality assurance requirements for measurement equipment to minimize reporting costs of these units. Although in some cases this could lead to the installation of new monitoring equipment, EPA explicitly

allows the use of either consensus-based standards or industry standard practice for the monitoring and QA/QC requirements specified in 40 CFR 98.34. EPA also provided an opportunity for Subpart Y reporters to use best available monitoring methods (BAMM) to facilitate installation of monitoring equipment for units that operated continuously. EPA notes that even within the commenter's cost estimates, there appears to be a high variability in the costs to comply with part 98. Without additional information from the commenter on the specific situations that resulted in higher burden, EPA is unable to revise the cost estimates used in the ICR burden analysis. As reporters acquire experience with complying with the GHGRP, EPA welcomes feedback on what specific requirements in the GHGRP are resulting in higher compliance costs, or how part 98 could be improved to facilitate reduced reporting burden.

Comment 7 (API)

API original comments: For petroleum product suppliers, EPA estimates an average burden of 42 hours per year per respondent. Such an average is overly simplistic since it does not account for the variability in the actual burden that is due to the quantities and different types of petroleum product grades that are supplied and that need to be tracked. The burden estimated by API members' accounts for this size and complexity differences. They range from 45 to 260 hours per year for a medium refinery; 60 to 130 hours per year for a large refinery; and 9 to 580 hours per year for an importer and/or exporter. The cost per respondent under Subpart MM is estimated by EPA to be \$2,971. This value should be compared with the industry estimated ranges of close to \$3,000 to over \$18,000 for a medium refinery; from over \$4,000 to close to \$20,000 for a large refinery; and about \$600 to close to \$40,000 per importer and/or exporter.

EPA's response: For the 2010 reporting year (covered under the 2009 ICR), which is the first year facilities were subject to the monitoring requirements of Subpart MM, EPA estimated an average of 144 hours per Subpart MM reporter. The burden estimated by the commenter for the 2010 and 2011 reporting years is broadly consistent with EPA's burden estimate for Subpart MM first year reporting. Because EPA determined that the majority of the data for petroleum product suppliers is already being collected by reporters for reasons other than Part 98, and that the methods allowed in 40 CFR 98.395 emphasize the use of data that suppliers already maintain, the bulk of the cost in the first year of reporting for Subpart MM was setting up the information systems to track and report the data to EPA. As a result, EPA anticipates that the cost for future reporting years will be reduced for petroleum product suppliers, and this is therefore reflected in EPA's 2013 to 2015 reporting year burden estimates.

API's further comments: EPA fails to recognize the additional burden imposed on petroleum product suppliers by the GHGRP requirements. It is important to note that supplier data does not always include calibrations, which are required under the GHGRP. Also the product mix and codes provided in the GHGRP reporting forms are not identical to those required under other fuels reporting programs thus there is extra burden to tie-in specific products and measurement methods to the codes in the reporting forms. Although product volume data is already being collected by reporters for normal business operations, there are ongoing incremental costs associated with subpart MM reporting and these added costs are accurately reflected in API's burden estimate. Ongoing burden/costs associated solely with subpart MM reporting include the following:

- Populating emissions calculation workbook. Annual product volumes must be extracted from existing business systems (e.g., SAP) and transferred to calculation tools that correlate existing company product codes to product codes specified by the GHG MRR and apply the appropriate

emission factors. For example, in some cases additional time is required to differentiate Mogas product volumes into the seasonal blends specified in Table MM-1.

- Assigning measurement methods to product volumes as specified by EPA.
- Reporting. This category includes transferring data into EPA-specified subpart MM reporting forms, QA/QC checks, data review/certification by Designated Representative, addressing follow-up questions from EPA. As indicated before, these are all on-going activities consisting of multiple internal reports that need to be pulled down, input into data management system and prepared for annual reporting, and are not a one-time set up effort as indicated by EPA. Moreover, API members were informed recently by EPA that reporting under Subpart MM is being migrated from the OTAQ REG system to e-GGRT which will require a significant effort to adopt existing systems to the new reporting format in time to meet the April 1, 2013, reporting deadline. Additionally, EPA has indicated that the existing OTAQ REG reporting system would cease to function after January 25, 2013, resulting in additional burden for Subpart MM reporting. After January 25, 2013, any data corrections that are needed following verification checks would require that companies reenter all the Subpart MM data for the entire respective year and not just the data to be corrected.

EPA's response: EPA believes that the existing procedures refineries have in place for determining quantities of products acquired or sold will generally be sufficient to comply with part 98. For calibration and re-calibration, Subpart MM allows reporters to use an appropriate standard method published by a consensus based standards organization or to calibrate according to the equipment manufacturer's directions. Thus EPA anticipates that reporters have existing processes in place (e.g. for measuring purchases or sales quantities) for the initial calibration of measurement equipment. EPA sought to harmonize reporting requirements with existing industry practices in this way to minimize reporter costs.

EPA believes the establishment of systems for transferring data from one system to another will largely be a one-time cost. EPA acknowledges that there was an initial cost with transferring reporting from the OTAQ REG reporting system to e-GGRT for the 2012 reporting year. EPA minimized this burden by replicating the reporting forms already in use by OTAQ REG. EPA anticipates that this transition will result in a net reduction in burden in future years. For calculating emission workbooks, a product code look-up table can be maintained with minimal effort.

Comment 8 (API)

API original comment: For onshore production facilities, EPA estimates that to meet the requirements of Subpart W (including combustion) for an average onshore production facility the burden is 95 hours per respondent per year. This estimated burden should be contrasted with API's estimated range of about 270 to more than 26,000 (with an average of over 6,000) hours would be required to comply with the reporting rule for an onshore production facility (defined as basin-wide production operations) per year. The API data are based on information received from 17 basins/facilities, representing a total of 42,568 gas wells and 4,464 oil wells. The average labor burden estimated by API is greater than 6,000 hours, which is more than sixty (60) times what EPA has estimated. Even at the lowest end of the range, the burden of reporting for onshore production facilities, as reported by API members, would be at least three times higher than what EPA has estimated as the average burden. Similarly, API's estimated costs of compliance range from close to \$25,000 to over \$1.6 Million (with an average over \$400,000).

For natural gas processing, EPA estimates an average burden of 103 hours annually when accounting both for reporting on both the processing and combustion aspects of natural gas plants. In comparison, API members burden hours estimates are at least double those of EPA with an annual average of 218 hours for small/medium gas plants ($\leq 250,000$ Mscf/day) and 454 hours for large gas plants ($> 250,000$ Mscf/day). EPA estimates that the average annual costs per natural gas processing respondent are \$5,962 and \$1,614 for reporting under Subparts W and C, respectively. According to industry data the annual burden may average about \$14,000 or \$40,000 for reporting process emissions under Subpart W requirements for a small/medium, or a large natural gas processing plant, respectively. API estimates a large natural gas processing plant to have an additional annual burden of about \$2,500 for reporting its combustion emissions under Subpart C.

For compressor stations, which are subject only to Subpart C, the amount of labor hours required to comply range from 37 to 72 hours annually per responding facility, based on data from 113 compressor stations provided to API. When compared with EPA's estimated burden of 24 hours for combustion for an oil and gas upstream facility, industry's estimated burden is 1.5 to 3 times higher than that provided by EPA. Similarly, industry estimates a burden in the range of \$2,100 to \$4,200 per responding facility, as compared with the \$1,614 per respondent estimated by EPA.

In general, reporting for the different industry segments that make up the oil and natural gas sector is very burdensome. As noted in the information above the burden varies among producers, natural gas processors and compressor stations due to factors such as wide geographical spread of facilities, and great differences in size, configuration, equipment and systems in place. Specific reasons that account for the wide range of burden hours and costs reported by API members include the following.

- Number of wells – Burden increases exponentially with the sheer volume of information required for a basin level facility and the activity level associated with the number of wells in a basin. The burden range can be attributed to the number of pieces of equipment coupled with activity level differences that are part of the monitoring, tracking and reporting costs.
- Geographical distances – Required travel between support office locations and well sites or plants affects travel time, which in turn contributes to higher labor and travel costs.
- Complexity of facilities – Dry gas wells with very low production will not have additional processing equipment, while other sites may have flares, dehydrators, acid gas removal and similar, which greatly affects data collection activities.
- Equipment layouts and configurations – Central facilities with no wells on-site do not currently require reporting as opposed to non-centralized operations where all the treatment and/or production surface equipment is located on the well-pad, which requires reporting.
- Manual data acquisition – The amount of manual labor necessary to acquire the data, including wells production information, as opposed to electronic data collection systems.
- Extent of operations – Larger operators that operate in multiple basins could spread their basic GHG program maintenance costs over multiple basin-wide facilities as opposed to smaller operators that are active in only a few basins, or which operate a smaller number of wells.

Additionally, EPA's assumption that the burden will be constant for on-going GHG reporting during the period 2013-2015 is questionable since it does not account for year-on year growth and operational changes in very dynamic sectors such as the petroleum and natural gas systems.

EPA's response: EPA estimated the burden to Subpart W onshore production reporters assuming operators would implement the lowest cost methodology, which, for example, is to use the horsepower rating, operational hours, and conversion factors to estimate fuel consumption from combustion equipment. The burden analysis is based on average national facility costs and takes into account the variance of sizes of facilities and the costs associated with the size. EPA is unable to separate what costs are incurred as a result of complying with Part 98 from what costs result from normal operation or compliance with other environmental programs.

For the 2011 reporting year, the first reporting year for Subpart W, EPA estimated an average of 289 hours for calculating process emissions and 105 hours for calculating combustion emissions at natural gas processing plants. The EPA estimates are broadly consistent with the commenter's estimates provided. Because the Renewal ICR covers the 2013 through 2015 reporting years EPA's estimates are lower due to startup costs being lower after the first year. See Response 3 [of the response to API's original comments] for more information about startup costs.

For the 2011 reporting year, EPA estimated an average burden of 31 hours for combustion at transmission compressor stations. The EPA estimate for 2011 is under the range of burden provided by the commenter, which may be the result of EPA underestimating the first year costs for combustion equipment. However, EPA notes that most transmission compressor stations only combust natural gas and very few have combustion units larger than 250 mmBtu/hr. As a result, most transmission compressor stations have the option of using Tiers 1 or 2 and the aggregation of units reporting option. This enables facilities to use existing and already maintained company records to calculate combustion emissions. The costs for obtaining such records will not be the result of complying with Part 98. Instead, the costs associated with Part 98 will primarily result from registering, performing emissions estimates, and reporting the data to EPA. EPA is unable to separate what costs are incurred as a result of complying with Part 98 from what costs result from normal operation or compliance with other environmental programs.

See Response 7 [of the response to API's original comments] for EPA's response on factors that affect the cost of calculating emissions for onshore petroleum and natural gas production.

API further comments: The dynamic nature of the industry segments subject to Subpart W and the major changes in production activities, ownerships and projects that occur from year to year make it almost impossible to estimate costs that are truly "one time only". API reiterates that the burden estimate provided for reporting under Subpart W all reflect API members' best estimate of complying with the GHGRP on a continuous basis, while taking into account the unique features and site-to-site variability discussed in prior comments. For onshore production industry reporting requirements are significantly more complicated than the simple fuel combustion example provided by EPA. Major burden is due to reporting for sources such as: stuck dump valves; inventorying pneumatic devices; measuring information associated with venting for gas wells liquids unloading; and collecting information for completions and workover venting and flaring. Most of these require manual input and physical observations that have to be captured for reporting. Other factors that contribute to burden include:

- Number of wells – Burden increases exponentially with the sheer volume of information required for a basin level facility and the activity level associated with the number of wells in a basin. This is an ongoing activity since the number of wells and their production is dynamic and variable over the years.

- Geographical distances – Required travel between support office locations and well sites or plants is a constant and the diversity of required travel changes annually with well operation and ownership.
- Complexity of facilities – Annual changes in wells and new projects in a given area need to be tracked along with additional processing equipment, flares, dehydrators, acid gas removal and similar, which would impact the level of data collection activities required annually.
- Equipment layouts and configurations – Due to the dynamic nature of the sector this would need to be addressed annually to ensure accounting for all sources that should be reported under Subpart W.
- Manual data acquisition – Industry’s experience is that not all sites can justify the installation of electronic data collection systems, and significant annual manual labor would be required to acquire the mandated data, including wells’ production information.

Additionally, as discussed in item # 2 above, EPA’s assumption that the O&M burden will be reduced to zero for on-going GHG reporting during the period 2013-2015 is simply inaccurate for most of the industry. It does not account for year-on-year growth and operational changes in very dynamic segments of the petroleum and natural gas systems, and industry’s practices that rely on contracting expert labor for many tasks including data collection, archiving and reporting.

EPA’s response: The burden analysis is based on average national facility costs and takes into account the variance of sizes of facilities and the costs associated with the size. The size and type of reporter in the onshore production segment can vary significantly. Larger facilities with more GHG-emitting equipment will have higher per facility compliance costs. In order to update its burden estimates, EPA requires additional information regarding the sampling of data across basins and facility sizes.

EPA is unable to separate what costs are incurred as a result of complying with Part 98 from what costs result from normal operation or compliance with other environmental programs. The commenter has not provided burden information regarding the information collection costs for stuck dump valves, pneumatic devices, measuring information for gas well liquids unloading, and collection information for completions and workover venting and flaring, and how they are additional to normal operations. Stuck dump valves are normally identified in the course of routine operations. For inventories of pneumatic devices, EPA gave reporters the flexibility to use partial estimates for the first years of reporting. For liquids unloading, EPA allows reporters to use representative sampling or engineering estimation to calculate emissions. For completions and workovers with hydraulic fracturing, EPA allows a choice of approaches for calculating emissions in order to provide greater flexibility.

See the response to Comment 3 for additional discussion on O&M costs.

Comment 9 (API)

API original comment: EPA’s ICR burden estimate does not account for the additional burden of collecting and archiving currently deferred data elements. EPA does account for the additional burden that could be imposed on reporters due to new requirements – yet to be promulgated – regarding data elements that are ‘inputs to emission equations’ and which are deferred to 2013/2015. Industry is currently collecting this data and archiving it but once the new regulations are promulgated they would prescribe how the data currently retained by industry would have to be reported back to the start of the GHGRP under the updated data confidentiality provisions.

Although EPA recognizes that some of the on-going amendments and technical corrections may impact burden, it claims that most amendments reduced burden or did not affect it. Even if some amendments did streamline regulations, extra burden is imposed on reporters due to the constantly changing and evolving nature of the reporting regulations, requiring reporters to constantly change their data collection procedures, monitoring plans, personnel training and data management systems. This is particularly acute for reporting under Subpart W, which has gone through major revisions and where many technical issues still exist, and which will continue to evolve and thus impose additional burden during the forthcoming 2013-2015 time period.

EPA's response: EPA has promulgated several technical corrections and revisions rulemakings that updated Part 98. The rulemakings corrected technical and editorial errors and have been well supported by public comments. As the ICR has been revised during each rulemaking, the costs for the rulemakings that continue through the Renewal ICR time period have already been included in the Renewal ICR. In addition, for each individual action that was open to public comment, EPA has responded to all comments on the burden of those rule amendments. While some of these amendments affected burden, the amendments generally reduced burden or did not affect it. If any change affected burden, EPA has updated the ICR by evaluating and summarizing changes to burden cost and hours.

EPA recognizes that the industry will need to train their human resources to efficiently implement the requirements of Subpart W. EPA has provided numerous webinars, frequently asked questions (FAQs), information sheets, and reporting help content to assist facilities in submitting emission reports. In addition, EPA has a help desk dedicated to responding to questions about how to report, including how the new rule requirements affect them.

In regard to the inputs to emission equations (inputs) that were deferred, EPA notes that the costs of recording and reporting inputs were included in the burden analysis for the Renewal ICR. If EPA modifies the rule requirements for reporting of inputs in the future, the ICR will be adjusted to account for the burden change.

API further comments: API acknowledges all of the supplemental information provided by EPA in the form of Webinars, fact sheets and help desk responses. Although these support mechanisms contribute to understanding the rule requirements, they do not substantially lower burden since the help desk is typically extremely slow to respond, and there are at times major inconsistencies between the rule language, rule preamble and answers provided by EPA in response to direct inquiries. API also contends that the burden of reporting the data elements that have been deferred to either 2013 or 2015 could not be fully accounted for, and are most likely underestimated by EPA. Based on current information provided by EPA it is not clear what companies will have to do - and the magnitude of the associated burden - when back-filling deferred data elements for facilities and in particular for those facilities that uploaded XML files for their annual reports.

EPA's response: EPA acknowledges that the current requirement for inputs deferred from reported until 2015 is that the inputs will be required to be reported once the input deferral expires. The cost of reporting these inputs is already included in the ICR renewal, but the reporting burden has been allocated to the respective reporting years. EPA plans to issue a proposal for notice and comment regarding the inputs whose reporting was deferred until 2015. The proposal will include a revised ICR which will account for any change in burden. Once the proposal is issued, EPA welcomes comments on the rulemaking and associated changes in burden.

Comment 10 (API)

API original comment: Ultimately, API contends that the use of global averages over all reporting sectors and Subparts, as EPA has done in its summary statement of its burden assessment, masks the true reporting burden for individual industry sectors, and respondents (facilities). As explained in detail above, the deviations from these averages for the burden associated with the petroleum and natural gas sectors both in its upstream and downstream operations is especially significant and is not adequately portrayed via the global burden statement provided by EPA at 77 FR 28378 (May 14, 2012).

EPA's response: The commenter is correct that the *Federal Register* notice contains a global summary of burden and cost which is a standard practice for all of EPA's ICRs. However, EPA notes that the Agency has provided Subpart specific data on the burden and cost in Appendix E of the Supporting Statement (EPA-HQ-OAR-2012-0333-0008).

API further comments: API notes that EPA has revised its Supplemental Information Part A document and posted it to the docket. However, the other documents referenced were not amended since their placement in the docket on July 23, 2012.

EPA's response: The information supporting the ICR was updated prior to submission to OMB.

Comment 11 (API)

API original comment: API recommends that EPA work collaboratively with reporters to learn from their experience and examine the practical utility of all the data, and its collection frequency, in order to explore ways to meet what Agency data needs still remains while reducing the significant burdens this GHGRP places on industry on an ongoing basis.

EPA's response: EPA has been continuously working with facilities and suppliers to update the GHGRP to resolve technical and editorial errors. See Response 11 [of the response to API's original comments] for more details.

EPA has also included provisions in 40 CFR 98.2(i) to allow facilities and suppliers to stop submitting annual reports under certain conditions, e.g., if facilities decrease emissions to a specified threshold for specified time or if facilities and suppliers close all of their GHG-emitting processes or operations covered by the GHGRP.

API further comments: API reiterates the need for ongoing stakeholders dialog to review lessons learned and solicit ideas on how to improve the program and reduce reporting burden.

EPA's response: EPA has taken a number of steps to engage the commenter's stakeholder community. For example, in September 2012, EPA held a stakeholder workshop on natural gas systems in the Inventory of U.S. GHG Emissions and Sinks, and as part of that workshop included presentation and discussion of the GHGRP. EPA also held stakeholder webinars with question and answer sessions in February 2013 on the 2011 reported data, including a webinar specific to the 2011 reported data on petroleum and natural gas systems in the GHGRP. EPA maintains an open door policy and welcomes the opportunity to further engage with stakeholders on these issues.

Comment 12 (DTNA)

DTNA is unable to determine and comment on the actual burden and cost of the proposed renewal of ICR-0629 to HDEVIM as this information was removed from the cost and burden analysis for ICR-6029 (Exhibit 6.4 of the SSA states that the change in the estimated burden is due to the removal of heavy-duty engine manufacturers from this ICR). Further, it is unclear exactly what costs and burdens were removed given the statement in the SSA that EPA “removed heavy-duty engine manufacturers” as these costs and burdens are “accounted for in ICR 2060-0104 and ICR 2060-0678” – while the title of ICR 2060-0678 indicates that this ICR covers both heavy-duty engines and vehicles. Therefore, it is unclear if costs and burden estimates for heavy-duty vehicle and engine manufacturers were removed, or if just heavy-duty engine costs and burden estimates were removed. Finally, in the SSA, EPA points readers to Appendix M-3 for more details on the cost and burden analysis, however, there are three problems with this statement: 1) The index to the SSA shows that the appendices to this document include only A through M-2, 2) The appendices were not attached to the SSA, and 3) Only appendices A through I were included in the docket. DTNA, therefore, could not review or comment on the analysis described in section M-3 of Appendix M.

EPA’s response: Please see the response to Comment 2.

Quality, Utility, and Clarity of the Information to be Collected

Comment 12 (API)

API original comments: The level of detail specified by EPA for GHG quantification methods and associated measurement procedures do not take into account the contribution of specific sources to overall facility (or sector) emissions; they address most sources with a similar level of detail. When striving for improved data quality and utility, it might be better to focus data collection and reporting on fewer sources, with an emphasis on those that contribute the most to overall emissions. This will allow respondents to concentrate on improving data quality for significant emission sources, rather than have to spend an inordinate amount of time and effort collecting and quantifying emissions from an array of sources that collectively are small and insignificant.

EPA’s response: The objective of the GHGRP is to collect data on facility-level direct emissions and supply of fuels and industrial GHGs that can inform future climate policy. EPA selected the source categories after considering the language of the Appropriations Act, the accompanying explanatory statement, the CAA, and EPA’s experience in developing the U.S. GHG Inventory. The Appropriations Act referred to reporting “in all sectors of the economy,” and the explanatory statement directed EPA to include “emissions from upstream production and downstream sources to the extent the Administrator deems it appropriate.” EPA established an emissions threshold to reduce burden and finalized Part 98 with 41 source categories. EPA provided simplified methods for such lower emissions sources in an attempt to limit burden.

API further comments: API wants to reiterate that reporting burdens could be substantially reduced if reporting in subsequent years is streamlined and limited to high priority emission sources.

EPA’s response: As discussed in the November 2012 response to comments, the objective of the GHGRP is to collect data on facility-level direct emissions and supply of fuels and industrial GHGs that can inform future climate policy. EPA selected the source categories after considering the language of the FY 2008 Consolidated Appropriations Act, the accompanying explanatory statement, the CAA, and EPA’s

experience in developing the U.S. GHG Inventory. The Appropriations Act referred to reporting “in all sectors of the economy,” and the explanatory statement directed EPA to include “emissions from upstream production and downstream sources to the extent the Administrator deems it appropriate.” EPA established an emissions threshold to reduce burden. EPA also provided simplified and alternative methods across sources in an attempt to limit burden.

Comment 13 (API)

API original comments: API is hopeful that the initial data being reported would be used by the EPA to refine and improve the national GHG inventory, especially once companies get beyond using best available measurement methods (BAMM).

EPA’s response: Thank you for your comment. EPA agrees that the GHGRP data will be useful in refining the US GHG inventory.

API further comments: API is ready to continue to collaborate with EPA on incorporation of GHGRP data into national GHG emission inventories.

EPA’s response: Thank you for your comment. EPA looks forward to engaging with stakeholders on using GHGRP data to potentially improve the US GHG Inventory.

Comment 14 (API)

API original comments: API recommends that after a finite duration of reporting, such as two or three years for a particular sector, EPA should undertake a review of the data reported with the goal of prioritizing the largest, and truly significant, emission sources for each of the sectors. At that stage, API suggests that EPA consider its options to either sunset the reporting program, or pull back to a less frequent reporting or a more focused approach that centers on the most significant emitting sources. Such a modified reporting approach would lessen the reporting burden while allowing respondents to improve data quality.

EPA’s response: EPA has determined that it is appropriate to gather the information on an annual basis given the strong public interest in facility level emissions data, the breadth of potential uses of the information, and the program's purpose to provide accurate and timely information to inform future policy making decisions. Should EPA find it appropriate to revise the reporting requirements in the future, it will occur as a result of a notice and comment rulemaking. In order to minimize burden in the future, EPA is committed to working with stakeholders to coordinate implementation of reporting programs, reduce burden on reporters, provide timely access to verified emissions data, establish mechanisms to efficiently share data, and harmonize data systems to the extent possible.

API further comments: API agrees that programmatic changes to the GHGRP would require a notice and comment rulemaking. Nonetheless, API does not believe that EPA has fully explained why annual data collection is required to inform decision making where a less frequent data collection system should suffice. As noted above, for many industry segments the quantity of GHG emissions does not vary significantly from year-to-year. Hence, after a few year of reporting, API would expect EPA and OMB to consider a less frequent data collection (such as every 3-5 years), since ongoing annual reporting is too burdensome and not justified.

EPA's response: Please see the response to Comment 1.

Comment 15 (API)

API original comment: API stipulates that EPA should be more transparent in their approach to managing the data and describing how it is being used to inform policy, especially as it pertains to Subpart MM.

EPA's response: For all source categories, including Subpart MM, EPA has developed an Electronic Greenhouse Gas Reporting Tool (e-GGRT) for collecting and managing the data that is reported to EPA, and EPA allowed stakeholders to test and provide comments on e-GGRT several months before the reporting deadlines through a sandbox testing environment. EPA has also made available e-GGRT XML reporting schema and documentation for download. Furthermore, EPA has provided a data publication tool that the public can use to view the data, as well as a publicly available website which contains detailed information about the Greenhouse Gas Reporting Program and subpart-specific materials.

API further comments: API continues to question the utility of continued reporting under Subpart MM, which EPA itself has acknowledged may lead to double counting of emissions. API continues to stipulate that EPA should establish a multi-stakeholders process to discuss how the collected data is being used to inform policy.

EPA's response: EPA selected the source categories after considering the language of the FY 2008 Appropriations Act, the accompanying explanatory statement, the CAA, and EPA's experience in developing the U.S. GHG Inventory. The Appropriations Act referred to reporting "in all sectors of the economy," and the explanatory statement directed EPA to include "emissions from upstream production and downstream sources to the extent the Administrator deems it appropriate." Reporting of fuel supplier data is necessary to build a complete understanding of petroleum use.

Minimize the Burden of the Collection of Information

Comment 16 (API)

API original comment: The initial use of BMM provided flexibility to companies when starting the GHG reporting process. However, in subsequent years of reporting, the cost of installing monitoring equipment, maintaining it, and performing the required measurements would be substantially higher especially for those industry sectors subject to Subparts that are starting to report only from calendar year 2011.

API recommends that – at a minimum - EPA should broaden the use of BMM beyond 2012. Since BMM uses a combination of industry activity data with EPA equations for quantifying emissions, these proven emissions estimation techniques should be allowed after 2012. This is most important in high burden cases, especially if installing monitoring equipment would lead to facility shut-down with associated economic disruption.

EPA's response: See Response 3 [of the response to API's original comments].

This comment is outside of the scope of the ICR. However, EPA notes that owners and operators of petroleum and natural gas systems (Subpart W) could request BMM for 2013 and beyond in "unique or

unusual” circumstances. To use BMM beyond December 31, 2012, owners and operators must submit a new request to use BMM by September 30th of the year prior to the year in which BMM is being requested. The request will be reviewed by EPA according to the criteria outlined in 40 CFR 98.234(f)(8). See 76 FR 59533 (September 27, 2011) for more details.

API further comments: EPA posted to the docket on November 27, 2012, the “Optional Form for Request for Extension of Use of Best Available Monitoring Methods for Hydrogen Production (Subpart P), Petrochemical Production (Subpart X) and Petroleum Refineries (Subpart Y)” (EPA Form 5900-233). API expects that this form will be extended for the same duration of the ICR to allow companies to make continuing use of BMM in unique and unusual circumstances.

EPA’s response: EPA Form 5900-233 is used for BMM request extensions only and included in the docket because this form will be active for part of the ICR renewal period. The use of this form is limited to the requirements as defined in 40 CFR 98.3(j)(7): “If an owner or operator determines that a scheduled process equipment or unit shutdown will not occur by December 31, 2013, the owner or operator may re-apply to use best available monitoring methods for one additional time period, not to extend beyond December 31, 2015. To extend use of best available monitoring methods past December 31, 2013, the owner or operator must submit a new extension request by June 1, 2013 that contains the information required in paragraph (j)(4) of this section.” Any such extension request must be submitted by June 1, 2013.

Comment 17 (API)

API original comments: API is concerned with the added burden posed by the mere fact that EPA is promulgating new rule revisions right up to the reporting deadline. This proximity to the reporting due dates is not allowing sufficient time to implement the final version of what EPA is promulgating into either a company’s reporting systems or EPA’s e-GGRT. For example, the timing of XML schema updates is extremely tight making it very difficult for companies to adjust their systems to be compatible with the changes in the EPA revised schema and complete the necessary quality checks in time to meet the reporting deadline. These tight schedules and ever-changing requirements significantly increase the reporting burden.

API contends that reporting burdens can be substantially reduced if reporting, in subsequent years, is streamlined and limited to high priority emission sources. The determination of which sources should be retained for continued reporting could be based on analysis of the data received by EPA during the initial reporting years, and by judicious use of this learning to prioritize for continued reporting, all those sources that contribute the most to overall facility/sector emissions.

EPA’s response: This comment is outside of the scope of the ICR. However, EPA notes that several months before the reporting deadline, EPA provided stakeholders with a sandbox testing environment to review and test its Electronic Greenhouse Gas Reporting Tool (e-GGRT). The sandbox testing environment reflected potential rule amendments. During the testing period, EPA designed the XML schema with the flexibility to handle any rule amendments and incorporated changes to the schema resulting from stakeholder feedback. See Response 11 [of the response to API’s original comments] for more details on how EPA has reduced burden in the GHGRP.

See Response 14 and 16 [of the response to API’s original comments].

API further comments: Although API acknowledges that this issue is outside the scope of the ICR, API must reiterate our concern regarding the added burden imposed by EPA's continued promulgation of rule amendments and implementation of other significant program changes shortly before the reporting deadlines. It has to be recognized by EPA that it takes time for companies to communicate all rule changes internally and train staff in the new requirements as well as revise procedures for data collection and allow sufficient time for reporters to implement the necessary changes into their existing data management and reporting systems. For example, the timing of XML schema updates has been extremely tight in previous reporting years making it very difficult for companies to adjust their systems to be compatible with the changes in EPA's revised schema and complete the necessary quality checks in time to meet the reporting deadline.

API anticipates that this will continue to be a problem in the 2013 reporting cycle based on the pending Direct Final Rule for CBI determination for the deferred data elements as well as EPA's recently announced transition from OTAQ REG to eGGRT for Subpart MM reporting. API continues to contend that reporting burdens can be substantially reduced if over the next few years EPA makes a concerted effort to consult with stakeholders on how to streamline the reporting process. Such a consultation would logically be followed by notice and comment rulemaking as needed to make use of options provided by industry based on their accumulated experience in reporting and EPA's experience in collecting and analyzing the information.

In summary, the information collected from API members is based on actual companies' experience with the GHGRP and is a realistic estimate of the burden associated with ongoing compliance with Part 98. The information provided by API is based on actual data that companies developed to budget for their compliance activities moving forward. EPA has an opportunity now to reconsider these data and institute measures that could further reduce the substantial burden on reporters. API's suggestions above and in its original comments package of August 10th (introduced here by reference) represent various options for consideration by the Agency, and API is ready to continue discussions of these recommendations with the EPA.

EPA's response: EPA recognizes that there is learning involved in implementing the GHGRP and has made every effort to engage stakeholders, such as by providing stakeholder webinars and sandbox testing of e-GGRT, and EPA will continue to do so. EPA has conducted over 90 webinars to date with over 4,000 participants. EPA maintains an open door policy and values stakeholder suggestions on how to improve the GHGRP.

Comment 18 (DTNA)

To the extent that GHG reporting information is required, EPA should retrieve that information from the end-of-year reports required by the GHG14 rulemaking.

Conclusion

DTNA believes that reporting requirements for heavy-duty trucks and engines are covered by EPA's 2011 heavy-duty GHG14 final rulemaking. DTNA submits that they should not be subject to three different ICRs that essentially duplicate the information requested by the reporting requirements of the GHG14 rulemaking. DTNA requests that if EPA intends to cover HDEV in ICR-0629 that EPA provide the cost and burden information that is absent from the supporting documents, clarify what additional

information is required beyond the reporting requirements of the GH14 rulemaking, and clarify to what extent these requirements are not duplicative and overly burdensome.

EPA's response: Please see the response to Comment 2.