REGION 10
SEATTLE, WA 98101

RETURN RECEIPT REQUESTED

SETTLEMENT COMMUNICATION

Dan Maguire
Gas Transmission Northwest LLC
201 West North River Drive, Suite 505
Spokane, Washington 99201

Re: Notice of Violation of the Clean Air Act and Opportunity to Confer Prior to Issuance of Compliance Order

Dear Dan Maguire:

The U.S. Environmental Protection Agency has documented violations of the Clean Air Act at the Gas Transmission Northwest LLC pipeline compressor stations subject to 40 C.F.R. Subpart OOOOa located along the GTN Pipeline in Oregon, Idaho, and Washington. The purpose of this notice is to inform you that EPA has identified these violations and to offer you the opportunity to confer on this matter with EPA prior to the Agency issuing a Compliance Order.

A draft Administrative Compliance Order and Summary of Alleged Violations are enclosed. The draft Administrative Compliance Order sets out the corrective actions and timeframes for those actions that EPA believes are appropriate to promptly bring GTN into compliance with the cited requirements. The Summary of Alleged Violations details the regulatory background of GTN's non-compliance and Subpart OOOOa.

To reach a timely resolution, **EPA is offering a 30-day period** to confer on the alleged violations and terms set forth in the draft Administrative Compliance Order on consent. If GTN and EPA do not reach a timely agreement on the terms of this Order, EPA intends to initiate a formal enforcement action unilaterally.

To schedule a meeting to discuss this matter, please contact Emma Yip, in the Office of Regional counsel, at (206) 553-0977 or yip.emma@epa.gov **within ten days of this notice**. If we do not hear from you within ten days, EPA will take that as an indication that you do not wish to engage in prefiling negotiations.

Thank you for your prompt attention to this important matter.

Sincerely,

MORGAN JENCIUS Digitally signed by MORGAN JENCIUS
Date: 2024.12.19 09:17:48 -08'00'

Morgan Jencius, Manager
Air and Land Enforcement Branch
Enforcement and Compliance Assurance Division

Enclosures
1. Summary of Violations
2. DRAFT Administrative Compliance Order on Consent

cc: Melinda Holdsworth
TC Energy

Janine Watson
TC Energy

Summary of Alleged Violations

Gas Transmission Northwest LLC

The following is a summary of alleged violations of the Clean Air Act, 42 U.S.C. §§ 7401 to 7671q, New Source Performance Standards for the Standards of Performance for Crude Oil and Natural Gas Facilities, 40 C.F.R. Subpart OOOOa ("Subpart OOOOa"), codified at 40 C.F.R. §§ 60.5360a-60.5439a. Subpart OOOOa provides standards to control greenhouse gases by limiting methane, volatile organic compounds, and sulfur dioxide emissions from affected facilities in the crude oil and natural gas source categories where construction, modification, or reconstruction commenced after September 18, 2015. 40 C.F.R. § 60.5360a(a).

Following EPA inspections on July 19 and 20, 2022 at GTN compressor stations in Oregon, EPA provided an inspection report to GTN highlighting concerns about the company's categorization of fugitive emissions components under Subpart OOOOa. Specifically, EPA noted that "TC Energy's Corporate Plan for NSPS OOOOa LDAR Emissions Monitoring" ("Monitoring Plan") appeared to improperly exempt components like blowdown valves from monitoring and repair requirements under Subpart OOOOa. In November of 2022, GTN responded to EPA's concerns, stating that "[t]he preamble to 40 CFR 60 OOOOa regulations in FR 35824" exempted blowdown valves and pressure relief devices, which when "leaking through their seat to a vent were excluded in the July 2022 version of the emissions monitoring plan." As explained below, GTN's interpretation of these regulatory requirements is in error.

I. Subpart OOOOa

The term "fugitive emissions component" is defined at 40 C.F.R. § 60.5430a to mean:

> [A]ny component that has the potential to emit fugitive emissions of methane or VOC at a well site or compressor station, including valves, connectors, pressure relief devices, open-ended lines, flanges… compressors, instruments, and meters. Devices that vent as part of normal operations, such as natural gas-driven pneumatic controllers or natural gas-driven pumps, are not fugitive emissions components, insofar as the natural gas discharged from the device's vent is not considered a fugitive emission. Emissions originating from other than the device's vent, such as the thief hatch on a controlled storage vessel, would be considered fugitive emissions.

Pursuant to 40 C.F.R. § 60.5397a(a), the owner or operator of an affected facility must monitor all fugitive emissions components, repair all sources of fugitive emissions, and perform recordkeeping and reporting requirements in accordance with the regulations set forth in 40 C.F.R. § 60.5397a(b)-(j). Additionally, the owner or operator of an affected facility is required to develop an emissions monitoring plan that covers the collection of fugitive emissions components at compressor stations within each company-defined area. 40 C.F.R. § 60.5397a(b). Fugitive emissions monitoring plans must include the elements set forth at 40 C.F.R. § 60.5397a(c) and (d) as applicable.

Pursuant to 40 C.F.R. § 60.5397a(c)(1), (f)(2), and (g)(2), the owner or operator of an affected compressor station must conduct an initial survey within ninety days of the startup of a new compressor station or modification, or by June 3, 2017, whichever is later, and thereafter at least quarterly at least sixty days apart. Each monitoring survey must observe each fugitive emissions component for fugitive emissions. 40 C.F.R. § 60.5397a(e).

II. Blowdown Valves

In 2016, EPA published Subpart OOOOa regulations in the Federal Register. 81 Fed. Reg. 35824 (June 3, 2016). In the preamble of this publication, EPA discusses the Agency's consideration of the appropriate monitoring frequency for the regulations, stating:

> Some commenters supported quarterly monitoring on the belief that it is more accurate and cost-effective than the monitoring frequencies proposed by the EPA. Other commenters opposed quarterly monitoring, alleging that it is not cost-effective and may be infeasible due to weather or shortages associated with OGI, necessary for the surveys. Also citing factors such as cost-effectiveness and questioning data underlying the EPA's analysis, some commenters supported annual monitoring or generally opposed semiannual monitoring.
>
> Based on the comments received, the EPA reviewed the type of equipment and the associated components that were included in the model plant used to determine emission reductions and costs for compressor stations at proposal. The storage and transmission model plants developed for the proposed rule had inadvertently included site blowdown open-ended lines, which are not sources of fugitive emissions but are vents. Therefore, the transmission and storage model plants were revised for the final rule to remove these components from the total component count.

Id. at 35861. GTN has previously pointed to this language to support its position that blowdown valves do not constitute fugitive emissions components. However, this excerpted language from the preamble does not fully reflect the regulatory definition of a "fugitive emissions component," which distinguishes between vented and fugitive emissions based on operation. E.g., "Devices that vent as part of normal operations… are not fugitive emissions components, *insofar as* the natural gas discharged from the device's vent is not considered a fugitive emission." 40 C.F.R. § 60.5430a (emphasis added).

The Federal Register that Respondent appears to rely on merely states that EPA excluded "site blowdown open-ended lines" from the model plants used for calculating the cost-effectiveness of monitoring frequency, not that it sought to revise the definition of fugitive emissions component or exclude blowdown valves from that definition. This is clear from the fact that the discussion on the definition of fugitive emissions component is located several pages earlier in the Federal Register and makes no mention of blowdown valves or open-ended lines. *See* 81 Fed. Reg. 35824, 35858 (June 3, 2016). In fact, the final definition of fugitive emissions component specifically names both "valves" and "open-ended lines" as having the potential to emit fugitives. Ultimately, the Federal Register's discussion on monitoring frequency was neither intended to augment the definition of fugitive emissions component, nor can it reasonably be interpreted as having that effect.

EPA's contemporaneous response to comments further supports this. *See* EPA Response to Comments for Proposed OOOOa Rulemaking, Chapter 4 Fugitives Monitoring, 4-214. There, a commentor noted that "[e]quipment which would ordinarily meet EPA's standards may not do so for short periods when such venting is required, as it may be at times for safety reasons." EPA's response was:

> The definition of fugitive emissions component has been revised to exclude devices that vent as part of normal operations, such as natural gas-driven pneumatic controllers or natural gas-driven pumps. Venting from an activated pressure relief device would not be fugitive emissions, *however, if the pressure relief device is not activated then any emissions from the device would be fugitive emissions*.

Id. (emphasis added). A different commenter raised the following concern specific to blowdown vents:

> To avoid confusion about the appropriate scope of LDAR programs and to avoid monitoring of normal venting activities, GPA urges EPA to remove from the definition of fugitive emissions components, the components identified above that vent during normal operations.

Id. at 4-318. EPA responded noting that the Agency had "added clarifying language with respect to devices that vent as part of normal operations." *Id.* at 4-319. The final language in the rule excludes from the definition of fugitive emissions components those components that vent as part of normal operations "insofar as the natural gas discharged from the device's vent is not considered a fugitive emission."

Blowdown valves and pressure relief valves are not excluded from Subpart OOOOa monitoring and repair requirements to the extent that those components have the potential to emit fugitives outside of normal venting operations. The alleged violations, as set forth below, are consistent with the plain language of the regulation, the Federal Register final rule discussion, and EPA's response to comments in the Subpart OOOOa rulemaking process.

III. Alleged Violations

EPA has identified four compressor stations operated by Respondent that are subject to Subpart OOOOa and covered by the Monitoring Plan, located in Oregon, Washington, and Idaho: Compressor Stations 05, 07, 10, and Coyote Springs. The Monitoring Plan's procedures for conducting surveys states that "[d]evices that vent as apart [sic] of normal operation are not considered sources of fugitive emissions and not subject to leak surveys." As examples of non-fugitive emissions components, the Monitoring Plan lists blowdown valves and pressure relief valves.

By flatly excluding components that vent as part of normal operations, the Monitoring Plan is inconsistent with the requirements of Subpart OOOOa because it fails to cover the collection of all fugitive emissions components. Components that vent as part of normal operations, such as blowdown valves and pressure relief valves, have the potential to emit fugitive emissions outside of normal venting operations and must be monitored alongside all other fugitive emissions components.

EPA alleges that GTN's Monitoring Plan violates 40 C.F.R. § 60.5397a(b) by failing to cover the collection of fugitive emissions components at compressor stations. Additionally, EPA alleges that GTN violated 40 C.F.R. § 60.5397a(e) by failing to observe each fugitive emissions component at each monitoring survey performed pursuant to 40 C.F.R. § 60.5397a(f)(2) and (g)(2) at Compressor Stations 05, 07, 10, and Coyote Springs.

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 10

In the Matter of:	)	DOCKET NO. CAA- [INSERT DOCKET#]
	)	
Gas Transmission Northwest LLC,	)	**ADMINISTRATIVE**
	)	**COMPLIANCE ORDER ON**
Walla Walla County, Washington,	)	**CONSENT**
Morrow County, Oregon,	)	
Sherman County, Oregon, and	)	
Kootenai County, Idaho,	)	
Respondent.		

ADMINISTRATIVE COMPLIANCE ORDER ON CONSENT

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DATED:

FOR RESPONDENT:

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Signatory Name, Signatory position, Respondent Name

_____

TITLE

FOR EPA REGION 10

_____

EDWARD J. KOWALSKI, Director
Enforcement & Compliance Assurance Division