

Suppliers of Natural Gas and Natural Gas Liquids



Proposed Rule: Mandatory Reporting of Greenhouse Gases

Under the proposed Mandatory Reporting of Greenhouse Gases (GHGs) rule, suppliers of natural gas and natural gas liquids would report the emissions that would result from the complete combustion or oxidation of the products that they place in commerce. Suppliers of natural gas and natural gas liquids would collect data on their products; calculate the potential GHG emissions associated with these products; and follow the specified procedures for ensuring data quality, amending missing data, and meeting recordkeeping and reporting requirements.

Natural gas processing plants should also review the information sheet for 40 CFR part 98, subpart W (Oil and Natural Gas Systems) and other potential source categories would be required to report emissions under the proposed rule.

How Is This Source Category Defined?

Under the proposal, suppliers of natural gas and natural gas liquids (NGLs) are:

- **Natural gas processing plants** that separate and recover NGLs from a stream of produced natural gas through condensation, absorption, adsorption, refrigeration, or other methods. *Field gathering and boosting stations are not part of this source category.*
- **Local distribution companies** that own or operate distribution pipelines that deliver natural gas to end users. *Companies that operate interstate pipelines or intrastate pipelines are not part of this source category.*

What GHGs Would Be Reported?

The proposal calls for natural gas processing plants to report carbon dioxide (CO₂) emissions from the complete combustion or oxidation of the annual quantities of propane, butane, ethane, isobutene, and bulk NGLs sold or delivered for use off site.

Local distribution companies would report CO₂ emissions from the complete combustion or oxidation of the annual volume of natural gas provided to their customers.

How Would GHG Emissions Be Calculated?

Under the proposal, two different methods can be used to calculate CO₂ emissions:

- One method uses either a measured or default fuel heating value and either a measured or default CO₂ emissions factor. This method is most appropriate for liquid fuels.
- The other method uses either a measured or default CO₂ emissions factor. This method is most appropriate for gaseous fuels.

What Information Would Be Reported?

In addition to the information required by the General Provisions at 40 CFR 98.3(c), the proposal calls for each natural gas processing facility to report the following information as a supplier of NGLs:

- Annual production in barrels of propane, natural butane, ethane, and isobutene, and the combined annual production of all other bulk NGLs.
- Annual CO₂ emissions from the end use of each product reported above.

Each local distribution company would report the following information at the corporate level:

- Annual volume of natural gas received for delivery to end users on the company's distribution system and annual CO₂ mass emissions associated with this volume.
- Annual volume of natural gas received for delivery to downstream gas transmission pipelines or other local distribution companies.
- Annual volume of natural gas received for delivery to the following end-user categories: residential, commercial, industrial, and electricity generation. Annual CO₂ mass emissions associated with each volume.
- The name of each individual covered facility to which gas is delivered, along with the facility's U.S. Environmental Protection Agency (EPA) and Energy Information Administration (EIA) identification code; the name and EIA identification code of any other end user for which the local gas distribution company delivered greater than or equal to 460,000 thousand cubic feet (Mcf) during the calendar year; and the total natural gas volumes actually delivered to each of these end users.

For More Information

This series of information sheets is intended to assist reporting facilities/owners in understanding key provisions of the proposed rule. However, these information sheets are not intended to be a substitution for the rule. Visit EPA's Web site (www.epa.gov/climatechange/emissions/ghgrulemaking.html) for more information, including the proposed preamble and rule and additional information sheets on specific industries, or go to www.regulations.gov to access the rulemaking docket (EPA-HQ OAR-2008-0508). For questions that cannot be answered through the Web site or docket, call 1-877-GHG-1188.