From:	Peter Mueller
To:	NMOAI, NMENV; WasteRule, EMNRD, EMNRD
Subject:	[EXT] Rulemaking Comments
Date:	Monday, September 14, 2020 2:05:05 PM
Attachments:	NM Rulemaking Comments - EcoVapor.pdf

Dear Sir or Madam -

Attached please find our comments regarding both NMED and EMNRD rulemakings.

Regards,

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September 14, 2020 via email

Ms. Liz Bisbey-Kuehn, NMED Bureau Chief, Air Quality Bureau
Ms. Tiffany Polak, NMOCD Deputy Director
Santa Fe, NM

Re: New Mexico Rulemaking Comments

Dear Ms. Bisbey-Kuehn and Ms. Polak,

Our company, EcoVapor Recovery Systems (EcoVapor), is in the service and equipment portion of the oil and gas industry. We agree with the emphasis that both of your agencies are placing on new technologies to reduce, prevent, and detect emissions.

Our comments are not in regards to any particular technology but rather the process for operators and regulators to adopt them, recently described as the "on ramp."

Both the NMED and EMNRD/NMOCD proposed rule changes and the processes leading up to these rulemakings have emphasized innovation and technology as cornerstones to reducing the oil and gas industry's emissions and waste. The draft NMOCD rules specifically include the use of ALARM technologies to alert operators of issues and get them repaired as soon as possible. The combination of prevention and detection is powerful in reducing emissions and preventing waste, which are the primary goals of the pending rulemakings.

Prevention technologies are those designed into oil and gas facilities to prevent emissions on an ongoing basis, and may be further classified as Process Equipment where the product has beneficial use (i.e. vapor recovery systems) or Control equipment where the product is consumed without beneficial use (i.e. combustors). Detection technologies are necessary to discover fugitive emissions or leaks if / when prevention systems fail to function correctly. Both prevention and detection technologies are quickly evolving, so the NMED's and NMOCD's stated desires not to be prescriptive is necessary to allow operators to choose the best technologies to achieve the required goals.

Based on our experiences as a service and equipment provider to the oil and gas industry, there is an important aspect currently missing in this process that will delay the adoption of new technologies and the resulting benefits to both operators and the State. That is the regulatory process of accepting new technologies.

We have been told directly by major operators that they understand how EcoVapor's equipment can and will reduce emissions and waste. However, those operators are understandably reluctant to include our equipment in their permits because the current rules favor using existing technologies. Furthermore, these operators are concerned that permit engineers, who have no central and current resource to know about the effectiveness of newer technologies, may discount or flat out reject permits that incorporate unfamiliar technology. Those delayed or rejected permits take time to redo and resubmit, slowing operators' development plans and increasing expenses. Understandably, operators are therefore inclined to stick with what both they and the permit engineers know and understand.

The proposed NMED EMITT requirements are good examples of this dilemma. Under the proposed rules, each piece of equipment is to have an EMITT tag and the capacities and performance of that equipment is to be reported. Will the function, capacities and performance data of each piece of equipment require some form of verification? If so, in an effort to streamline permit processing for both regulators and operators, this information can be stored in a database for reference instead of being submitted repeatedly with each new permit.

The proposed EMNRD/ NMOCD ALARM rules allow for the utilization of yet undefined systems, but there is no listing or clearinghouse for permit engineers to rely on when applications that include new equipment land on their desks. Operators are taking a risk to incorporate technologies and equipment that is not familiar to those permit engineers whose work will be closely scrutinized. The likely impact is for those permits to be delayed as the permit engineers seek more data and/or proof of the new equipment's effectiveness. And that cycle, in turn, will cause operators to more slowly adopt new technologies.

Alternatively, if both operators and permit engineers had a public resource to use where new equipment / technologies were listed and performance data verified, then both industry and the regulators could proceed with confidence when filing and approving permits.

To that end, our recommendation is to establish equipment / technology clearinghouses at one or more of New Mexico's colleges and/or universities with engineering departments. The goal is not to prescribe, prioritize or favor one technology over another, but rather to ensure that the physical performance claimed for a particular system has been reviewed and verified. Economics are not part of the review as that is left to be evaluated and decided between the operator and the supplier. The physical performance would be evaluated by reviewing empirical data from the equipment / technology supplier that supports their claims. Physical on-site testing would not be required. Setting the data requirements would be the responsibility of the academic departments involved. Equipment / technologies submitted for testing would be listed in a database linked to public NMED and EMNRD/NMOCD websites containing basic information as Approved or Pending. Equipment / technologies that have been approved would include performance data, such as maximum pressures, processing capacity, PTE reduction (TPY and/or %), etc.

The goal is to put in place an equipment / technology acceptance process that parallels the NMED and EMNRD permit process and becomes a resource both for their permit staffs and operators alike. The accelerated approval of permits with low Potential To Emit levels will facilitate development while simultaneously reducing emissions and waste. The "on ramp" process should include both Prevention and Detection technologies because both operators and permit engineers will need a public resource to know what's currently approved and accepted performance levels. The "on ramp" process should begin ASAP in order to coincide with the rulemakings.

We expect that State schools would welcome the opportunity to be involved with new technologies that improve New Mexico's air quality and foster innovation at the same time.

Thank you for your consideration.

Regards,

Peter M. Mueller
EcoVapor Recovery System