



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
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OCT 17 2016

Mr. Gary D. Goeke
Chief, Environmental Assessment Section
Leasing and Environment (MS 5410)
Bureau of Ocean Energy Management (BOEM)
1201 Elmwood Park Boulevard
New Orleans, Louisiana 70133-2394

Re: EPA NEPA Review Comments on BOEM's FSEIS for the Gulf of Mexico Outer Continental Shelf (OCS) Oil and Gas Lease Sales: 2017 Central Planning Area Lease Sale 247; CEQ #20160208

Dear Mr. Goeke:

The U.S. Environmental Protection Agency has reviewed the subject Bureau of Ocean Energy Management (BOEM) Final Supplemental Environmental Impact Statement (FSEIS) in accordance with our responsibilities under Section 102(2)(C) of the National Environmental Policy Act (NEPA) and Section 309 of the Clean Air Act. It is our understanding that the BOEM proposes a lease sale in the Gulf of Mexico (GOM) Outer Continental Shelf (OCS) for lease block 247 in the Central Planning Area. The EPA understands that this EIS addresses one proposed OCS lease sale for lease block 247 in the Central Planning Area (CPA) and that it updates the baseline conditions and potential environmental effects of oil and gas activities since the publication of several previous BOEM lease sale EISs.¹

The EPA provided comments on the Draft Supplemental Environmental Impact Statement (DSEIS) for the above referenced proposed action in a letter dated April 11, 2016. Our primary concerns outlined in our DSEIS comments were related to potential impacts to air, waste water discharges, coastal ecosystems, wetlands, and on environmental justice populations. We appreciate the BOEM's efforts to include a dedicated section in the FSEIS which includes specific responses to our comments.² We have focused our review of the FSEIS on the BOEM's specific responses to our DSEIS comments. The EPA offers the following technical comments:

Air
Air Quality Analysis

The EPA's previous air quality impact comments on the DSEIS focused generally on monitoring, mitigation, emissions inventory, modelled emissions above the significant impact level, and the air quality offshore models used by the BOEM. The EPA appreciates the BOEM's consideration of our comments and inclusion in the FSEIS of updated greenhouse gas (GHG) estimates for accidental release and citations for non-OCS activity references. In general, the BOEM indicated they would consider

¹ Abstract - DSEIS

² Section 5.12 of the FSEIS

addressing our concerns in future studies or rulemaking actions. Hence, the EPA continues to have the concerns summarized below for the current FSEIS. The EPA looks forward to working with the BOEM to address these concerns through the implementation of the BOEM's final air quality rule, through the ongoing air quality studies, and through the refinement of offshore models.

Model Receptors (USEPA 5)

The EPA fully supports BOEM's incorporation of consideration of OCS impacts at the State seaward boundary in BOEM's air quality modelling study and draft air quality regulations. The EPA believes such an analysis is necessary to ensure that the National Ambient Air Quality Standards (NAAQS) are protected and that States can meet their State Implementation Plan and coastal zone management responsibilities, as well as to ensure that the air quality within this nearshore area is not adversely impacted by OCS activity.

SIL Exceedance (USEPA 1)

The referenced analyses predict modeled emission results above the EPA significant impact level (SIL) for the annual NO₂ standard and the standard for 24-hour particulate matter of 2.5 microns or less (PM_{2.5}). The EPA continues to recommend that exceedance of a SIL warrants more refined analysis be conducted to validate the BOEM's conclusions that the proposed actions are projected to have minimal air quality impacts. The EPA looks forward to reviewing the BOEM's updated air quality impact analysis for the GOM and to the incorporation of these results in the BOEM's upcoming environmental impact analyses.

Emissions Inventory (USEPA 2)

The EPA continues to have concerns that the FSEIS was based on data from 2008 and 2011 emission inventories which do not include direct emissions from well stimulation activities, given that the lease sale will result in drilling into the next decade. The EPA appreciates the BOEM's commitment to include well stimulation activities in the 2014 Gulf-wide emissions inventory. The EPA also recommends that impact analyses issued prior to the incorporation of the inventory include supplemental data to reflect emissions from technologies currently in use.

Monitoring and Mitigation (USEPA 3)

The EPA continues to recommend that the BOEM develop measures to monitor and mitigate NAAQS pollutants, such as NO_x, and PM_{2.5}, as well as, GHG, and to include recommendations for these measures in the Record of Decision (ROD). The EPA suggests that reasonable mitigation measures that should be considered include the use of low sulfur fuels, including liquefied natural gas, inherently lower polluting engine designs, use of required tier certified non-road and marine engines (rather than engines certified for export), flaring (rather than cold venting), and electrification of cranes and support equipment.

Climate Change and GHG Emissions

The BOEM is conducting an analysis of indirect GHG emissions related to refining, distribution, and end-use combustion of oil and gas produced from the OCS. The BOEM analysis will address estimated GHG emissions from active leases from previous Programs prior to 2012, leasing under the current 2012-2017 Program, and new leasing proposed under the 2017-2022 Program, which will be provided in a separate technical report that will be incorporated by reference. This type of analysis will provide more complete information on indirect impacts of the leasing program and allow for better informed decision-making. In addition, we recommend that the BOEM use as a guide the Council on Environmental Quality's August 1, 2016, Final Guidance for Federal Departments and Agencies on Consideration of Greenhouse Gas Emissions and the Effects of Climate Change in National Environmental Policy Act

Reviews. We will continue to work with the BOEM on the development of this analysis, which is called for under NEPA. This analysis is particularly appropriate here because the potential indirect GHG emissions associated with the processing, distribution, and end-use consumption of oil and gas produced on the OCS are likely to be significant.

National Pollution Discharge Elimination System (NPDES) Permits

In our comments on the DSEIS, the EPA recommended that the FSEIS be revised to include clarification to language in the EIS related to effluent toxicity permit limits. The EPA also notified the BOEM of the impending release of the Region 4 NPDES general permit for offshore oil and gas activities in the Eastern Planning Area. The BOEM provided a response in the FSEIS indicating that text had been revised to include language related to NPDES permit limits and committed to including information related to the new EPA Region 4 General Permit (GP) after it is finalized by the EPA.

Well Stimulation

In our comments on the DSEIS, the EPA recommended that the BOEM consider any new relevant information covered in a recently released Bureau of Safety and Environmental Enforcement (BSEE) and BOEM Environmental Assessment (EA) that evaluated the potential environmental impacts associated with the use of well stimulation treatments for offshore oil development off the coast of Southern California. In addition, the EPA noted more extensive discussion in the DSEIS related to the use of well stimulation fluids than typically provided. However, the EPA recommended that the BOEM provide more specifics in the FSEIS related to how many wells (covered by the proposed action – lease sale 247) are expected to receive this type of treatment and a clear description of any potential impacts.

Well treatment completion and workover (WTCW) fluids are covered under the NPDES permit with technology-based effluent limits per the Effluent Guidelines or with both technology-based and water-quality based effluent limits. It is the EPA's understanding that not all WTCW fluids are commingled and discharged with the produce water wastestream. The WTCW fluids not commingled with produced waters discharges have technology-based effluent limits, and the WTCW fluids commingled with produced waters have technology-based and water quality-based limits. The EPA now understands that mobile drilling units may be discharging larger volumes and possibly using more toxic chemicals for well stimulation operations prior to production. Therefore, the WTCW fluids not commingled with produced waters may need a water-quality based effluent limit (whole effluent toxicity testing) to protect against adverse impacts to aquatic life in the vicinity of the discharge location. Once issued, the EPA will collect toxicity related data through the GP to help determine if a water quality based effluent limit (i.e., like that for produced waters) is potentially warranted.

The EPA continues to request that the BOEM provide additional data in future NEPA analyses regarding estimates of wells that will require the use of the WTCW fluids, the estimated volumes of the WTCW fluids used in these operations, and any information related to the types of chemicals used and their toxicity.

Wetlands and Coastal Areas

In our comments on the DSEIS, we expressed concerns about the potential for cumulative impacts on near shore wetlands and coastal areas as a result of the proposed action. We remain concerned about the potential for cumulative impacts on these coastal systems. The EPA supports the BOEM's efforts to better quantify cumulative impacts on near shore wetlands and coastal areas in the FSEIS.

Environmental Justice

In our comments on the DSEIS, the EPA recommended providing data on subsistence activities in the GOM region. The EPA understands that the BOEM study "Subsistence in Coastal Louisiana: An Exploratory Study" is not complete, but when complete, results from this study will be discussed in future NEPA analyses. The EPA continues to support the BOEM's efforts to evaluate potential impacts to subsistence activities in the GOM region.

The EPA appreciates the opportunity to review this FSEIS. We request that the BOEM provide specific responses in the ROD to our aforementioned outstanding environmental concerns. We also request that the BOEM provide the EPA with a copy of the final signed ROD. Should the BOEM have questions regarding our comments, please feel free to contact Mr. Dan Holliman of my staff at 404/562-9531 or by e-mail at holliman.daniel@epa.gov.

Sincerely,



G. Alan Farmer

Director

Resource Conservation and Restoration Division