**The INGAA Foundation, Inc.**

## Request for Proposals for a study:

# Compliance with Upcoming Air Regulations – Resource Availability

7/25/2011

# Table of Content:

# 1. *Request for Proposal* - ***COMPLIANCE WITH UPCOMING AIR REGULATIONS – RESOURCE AVAILABILITY***

## *1.1. Specifics of RFP*

### 1. Purpose of RFP

The INGAA Foundation Inc. is seeking a proposal from qualified Contractors to perform an analysis of the issues related challenges of resource availability (e.g., parts/equipment, vendors, experienced labor, etc.) available to the pipeline industry to handle the impact of existing and forthcoming air emission regulations (a) in a timely fashion, and (b) without disruption to gas delivery. The analysis will result in a written report and detailed PowerPoint presentation.

### 2. Issuing Organization Information

The INGAA Foundation, Inc. was formed in 1990 by the Interstate Natural Gas Association of America (INGAA) to advance the use of natural gas for the benefit of the environment and the consuming public. The Foundation works to facilitate the efficient construction and safe, reliable operation of the North American natural gas pipeline system, and promotes natural gas infrastructure development worldwide.

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### 3. Study Purpose

Forthcoming air emission regulations will likely require hundreds or potentially thousands of units in the natural gas pipeline industry to be controlled (some retrofitted) before 2020. The purpose of this study is to examine whether there will be enough resources (e.g., parts/equipment, vendors, qualified labor, etc.) available to the natural gas pipeline industry to handle the impact (a) in a timely fashion, and (b) without disruption to gas delivery. Potential bottlenecks in the supply chain need to be identified regarding availability of capital equipment, technology service providers, compliance testing service providers, and air quality permitting support.

4. **Costs or Any Other Constraints**

The Contractor will perform the research, analysis, consulting or other services necessary to complete this project for a total amount not to exceed a range of $30,000 - $50,000, which includes the Contractor's fee for services and all direct costs incurred in fulfillment of the contract, including, but not limited to, travel, communications and photocopying.

5. **Proposal Response Date and Specific Instructions**

Qualified contractors who are interested in responding must submit a proposal of no more than 10 pages (excluding resumes and references) by 5 pm PDT, August 29, 2011.

One electronic and three hard copies should be sent to:

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Interstate Natural Gas Association of America
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**6. Contractor Qualifications**

The qualified contractor will have proven expertise in the legal, regulatory and business structure of the interstate natural gas pipeline industry with a particular understanding of relevant air quality compliance and the environmental regulatory environment. Equally important is an understanding of natural gas pipeline compression equipment sources and control technologies that apply to reciprocating, centrifugal/rotating and other equipment. The contractor must have the ability to develop a project schedule, meet deadlines, and provide regular project updates. The contractor must be able to deliver materials, both draft and final, that is well organized, professionally edited, and clearly written.

## 1.2. Background Information

In the next ten year period, the natural gas transmission industry will be subject to a multitude of new and revised air emissions regulations. Specifically, the natural gas pipeline industry will be subject to revisions of the Ozone and NO2 National Ambient Air Quality Standards (NAAQS), the Clean Air Transport Rule (CATR), and the National Emission Standard for Hazardous Air Pollutants (NESHAP) for Diesel and Natural Gas-Fired Engines. Additionally, the industry will see implementation of the various Maximum Achievable Control Technology (MACT) rules. These

regulations will likely require hundreds or potentially thousands of units in the natural gas pipeline industry to be controlled through add on controls, retrofitting and/or replacement before 2020. Cumulatively, these rules will place an unprecedented strain on the natural gas pipeline industry to coordinate a limited number of resources to ensure compliance and each new rule may require a different control technology, some of which may or may not be compatible. Potential bottlenecks in the "air compliance" system must be identified. If the study demonstrates that sufficient resources (e.g., parts/equipment, vendors, qualified labor, etc.) are available within the defined time constraints, operators will be able to plan accordingly. In this case, all pipeline companies will be able to meet the compliance deadlines and continue to operate with "controlled" units without disrupting gas delivery. The study may also demonstrate a need for more coordination and strategic planning among pipeline companies to utilize all the "available" resources in such a manner to eliminate resource constraints and facilitate timely regulatory compliance.

If the study demonstrates otherwise, meeting compliance deadlines may be at risk. The study could then potentially be used to negotiate more compliance time or phased implementation with federal or state regulators.

The expected audience includes energy executives, environmental managers, engineering managers, operations managers of natural gas pipeline companies, pipeline vendors and service providers. The final report should not be written such that a specialized understanding of environmental policy is necessary to comprehend the study results.

## 1.3. Scope of Work

The proposed effort should focus on:

1) Identifying hardware requirements (e.g., combustion emission controls and associated engine upgrades, exhaust controls, monitors, system component parts, etc.), non-hardware requirements (e.g., air permitting, testing, monitoring, etc.), and the need for experienced technical or engineering services support for upcoming air regulations on the pipeline industry. The requirements will consider how many units to be controlled and/or monitored and by when, number of compliance tests to be done and by when, impact of work practices, number of air permits to be obtained, etc.; and consider adding a theoretical timeline to depict time required to permit, procure, install and commission an example quantity of units (Say 20) that an INGAA member company will be challenged,
2) Forecast timelines and geographical applicability for implementation of various regulations, and, as necessary, identify scenario assumptions for control implementation (e.g., timing for retrofit NOx control);

3) Based on the regulatory timelines and associated hardware and service provider requirements, assess resource availability. Discuss potential permitting bottlenecks within state agencies based on historical workload and permit forecasts for select states; and
4) Conclusion and recommendations for next steps.

## 1.4. Deliverables

The primary deliverable will be a written report and Microsoft PowerPoint presentation; it must include an executive summary and must be conveyed to the project contact in the form of a clean, fully reproducible original in Microsoft Office format version and a PDF version, unless specified differently in the final contract agreement.

Other deliverables include:

- A project schedule
- A report outline
- A draft report
- A draft presentation in Microsoft ppt
- A final report and presentation
- A recommended path and tools for communicating the recommendations to the expected audiences. (ie talking points, charts, PowerPoint slides).

## 1.5. Term of Contract

The anticipated contract start date will be September 30, 2011. Any revisions in project scope, definition, cost, or schedule shall be made only by written mutual agreement by the authorized representatives of the parties whose signatures appear on the final contract agreement or the authorized project contact person.

## 1.6. Payments, Incentives, and Penalties

The Contractor will perform the research, analysis, consulting or other services necessary to complete this project for a total amount not to exceed the final price agreed to in the final contract agreement. This includes the Contractor's fee for services and all direct costs incurred in fulfillment of the contract, including, but not limited to, travel, communications and photocopying. Other terms will be detailed in the final contract agreement.

## 1.7. Contractual Terms and Conditions

Contract terms and conditions will be detailed in the final contract agreement.

## 1.8. Requirements for Proposal Preparation

The proposal, at a minimum, should include: a detailed statement of how the contractor proposes to meet the study objectives including the methodology, a budget that includes a breakdown of tasks and deliverables, a description of the firm's expertise in the subject matter, and the background of the team that will work on the project.

## 1.9. Evaluation and Award Process

Proposals will be evaluated, at a minimum, on the following criteria:

- Extent and quality of the project description and overall approach, including the staff expertise/qualifications, staff knowledge, and resources or the ability to obtain them, to successfully achieve the goals of the proposed project.
- Extent and quality to which the proposal demonstrates knowledge regarding existing and forthcoming air quality regulations impacting the natural gas pipeline industry and the various control technologies that apply to reciprocating, centrifugal/rotating and other equipment used in the natural the gas pipeline industry.
- Applicant's proven ability to successfully complete and manage a proposed project.
- A review of the budget narratives to determine if costs are reasonable and commensurate with activities proposed.

## 1.10. Process Schedule

July 26, 2011 - RFP distributed to potential contractors
Aug 29, 2011- Proposals due to study contact
Sept 15, 2011 - Contract award decision
Sept 30, 2011 - Contract start date
April 30, 2012 – Desired date of completion

## 1.11. Point of Contact for All Correspondence

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