



Submitted via www.regulations.gov

November 25, 2019

Ms. Amy Hambrick
U.S. Environmental Protection Agency
1200 Pennsylvania Ave., N.W.
Mail Code 28221T
Washington, D.C. 20460

Re: Docket ID No. EPA-HQ-OAR-2017-0757

Dear Ms. Hambrick,

The Interstate Natural Gas Association of America (INGAA), a trade association that represents members of the interstate natural gas pipeline industry, respectfully submits these comments in response to the United States Environmental Protection Agency's (EPA) request for input on its proposed reconsideration of amendments to the new source performance standards (NSPS) at 40 C.F.R. part 60, subparts OOOO and OOOOa, which were adopted in 2012 and 2016, respectively.

INGAA member companies transport more than 95 percent of the nation's natural gas, through approximately 200,000 miles of interstate natural gas pipelines. Across the United States, INGAA member companies operate over 6,000 stationary natural gas-fired spark ignition reciprocating internal combustion engines (RICE) and over 1,000 stationary natural gas-fired combustion turbines installed at compressor stations along the pipelines to transport natural gas to local gas distribution companies, industrials, gas marketers, and gas-fired electric generators. As owners and operators in the transmission and storage sector, most of INGAA's members do not own upstream exploration and production assets or process natural gas. The natural gas that they are contractually paid to transport belongs to someone else. The composition of the gas that our members transport is different from the natural gas in the exploration and production (E&P) sector because the natural gas that INGAA members transport has been processed to meet specific pipeline quality natural gas requirements. Because the gas has already been processed and is pipeline quality, the equipment that INGAA members use in the transmission and storage sector is different from the equipment that is used in other parts of the natural gas value chain.

These comments summarize INGAA's support for seeking public input and feedback regarding whether to regulate methane or volatile organic compounds (VOCs).

Background

In August 2012, EPA issued an NSPS that established VOC standards for leaks at onshore natural gas processing plants, sulfur dioxide (SO₂) standards for sweetening units, and VOC standards for emissions sources that were not subject to the requirements in 40 C.F.R. part 60, subparts KKK and LLL (e.g., storage vessels, natural gas operated pneumatic controllers, centrifugal and reciprocating compressors, and natural gas well completions).¹ In June 2016, EPA issued an NSPS regulating methane and volatile organic compound emissions from new and modified sources in the oil and natural gas industry (known as NSPS OOOOa).² In April 2017, EPA issued a notice announcing that it was reviewing the NSPS OOOOa rule, “and, if appropriate, will initiate reconsideration proceedings to suspend, revise or rescind this rule.”³ Later, in June 2017, EPA stated that it was broadly reviewing the “entire” NSPS OOOOa rule.⁴

INGAA has been actively following the status of NSPS OOOOa due to concerns about the potential unintended consequences associated with one particular aspect of the rule dealing with when to make certain repairs; INGAA members were concerned that the rule as originally written had the potential to cause unintended consequences, such as increased emissions, impacts to operations, and increased compliance costs. Although INGAA’s participation in the legal challenge of NSPS OOOOa was limited to this particular technical issue, INGAA does support a broad review of these rules because considering any requirements in a piecemeal fashion would only cause further uncertainty for the regulated community and would be an inefficient use of EPA’s and industry’s resources.

Industry has faced significant uncertainty regarding the requirements in these rules. On April 18, 2017, EPA granted reconsideration of various aspects of the NSPS OOOOa, including the fugitive emissions requirements, and simultaneously indicated its intent to stay the requirements for 90 days. EPA then issued a notice in the Federal Register regarding the reconsideration and 90-day stay.⁵ However, several interested parties filed a petition in the D.C. Circuit to review EPA’s 90-day stay, along with an emergency motion to vacate the stay. The D.C. Circuit granted the motion to vacate the stay and simultaneously issued the mandate on July 3, 2017.⁶ In response, EPA filed a motion requesting that the court pull back the mandate. Mere days later, on July 13, the D.C. Circuit granted EPA’s motion to pull back the mandate for 14 days.

Sudden and unanticipated reversals of regulatory obligations creates confusion for the regulatory community and distracts focus from ensuring compliance and conformance with regulations. Industry needs time and certainty in order to maintain reliable service of natural gas to our customers and make sound economic business decisions regarding issues such as staffing, procurement, capital investments, procedures, training, and contracts in order to comply with regulations. Regulations need to be supported by a strong administrative record that will withstand judicial scrutiny, if necessary. This need for consistency and predictability applies to both federal requirements and state requirements – in particular, for projects such as interstate natural gas pipelines that cross state boundaries and may be subject to several state requirements.

¹ See 77 Fed. Reg. 49,490 (Aug. 16, 2012).

² See 81 Fed. Reg. 35,824 (June 3, 2016).

³ 82 Fed. Reg. 16,331 (Apr. 4, 2017).

⁴ 82 Fed. Reg. 27,645 (June 16, 2017).

⁵ See 82 Fed. Reg. 25,730 (June 5, 2017).

⁶ See *Clean Air Council v. EPA*, 862 F.3d 1 (D.C. Cir. 2017).

Comments

INGAA's members are concerned about methane emissions and the lack of predictability on this issue. Therefore, on July 19, 2018, INGAA's board of directors formally affirmed its commitment to minimize methane emissions from their interstate natural gas transmission and storage facilities through a series of voluntary pledges. *See* Attachment A. Regardless of EPA's decision in this rulemaking, members of INGAA will continue to embrace the following core principles: to (1) minimize emissions from interstate natural gas pipelines and pneumatic controllers; (2) minimize emissions from natural gas storage and compressor stations; and (3) develop effective practices and information sharing protocols related to detecting and reducing methane emissions. More specifically, members of INGAA will install air-driven, low-bleed, or intermittent pneumatic controllers when installing new pneumatic controllers, unless a different device is required for safe operations; minimize emissions during maintenance, repair and replacement of pipelines; replace rod packing on all transmission and storage reciprocating compressors; conduct leak surveys at all member-owned and operated transmission and storage compressor stations by 2022 and at all natural gas storage wells owned and operated by INGAA member companies by 2025; and transparently report methane emissions.

In addition to these commitments, many INGAA member companies participate in other voluntary methane reduction programs, such as EPA's Natural Gas STAR Program, EPA's Methane Challenge, and the ONE Future Program. By participating in these additional programs, INGAA member companies have committed to adopting cost-effective technologies and practices to improve operational efficiency and reduce methane emissions. They also voluntarily report emissions under the EPA Natural Gas STAR⁷ and Methane Challenge Programs.⁸ Members of the ONE Future Coalition are working collectively to achieve a science-based average rate of methane emissions across their facilities equivalent to one percent (or less) of total natural gas production.⁹

INGAA also has a history of engaging with the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) to ensure new natural gas pipeline safety and storage regulations consider methane emissions. In particular, PHMSA's Interim Final Rule on Underground Natural Gas Storage¹⁰ was the result of collaboration between regulatory agencies, industry, and other stakeholders to develop widely accepted recommended practices designed to prevent and mitigate integrity breaches, leaks and failures at natural gas storage facilities. PHMSA largely adopted those recommended practices as regulations that are now applicable to over 400 storage fields with a combined working capacity of 4,800 billion

⁷ INGAA members that participate in the Natural Gas STAR program have collectively reported 212,166,995 Mcf of methane emission reductions (cumulative since the inception of program).

⁸ INGAA members that participate in the Methane Challenge collectively reported 1,357,812 Mcf of emission reductions in the first year of reporting.

⁹ According to ONE Future's first annual report, which was based on 2017 data, the coalition achieved an overall methane intensity level of 0.552%. *See* ONE Future 2017 Methane Emission Intensities: Initial Progress Report (Nov. 15, 2018), <http://onefuture.us/wp-content/uploads/2018/11/ONE-Future-2017-Initial-Report-Final-Report-Nov-15.pdf>. The ONE Future coalition reported a methane intensity of 0.326% for 2018. *See* ONE Future 2018 Methane Emission Intensities: A Progress Report (Nov. 4, 2019), <http://onefuture.us/wp-content/uploads/2019/11/ONE-Future-2018-Final-Report-LN.pdf>.

¹⁰ 81 Fed. Reg. 91,860 (Dec. 19, 2016).

cubic feet (BCF) of natural gas.¹¹ The regulations provide design, construction, operation and reporting requirements for natural gas storage. These requirements were adopted with a goal of keeping natural gas safely confined within storage facilities. Likewise, INGAA members have voluntarily committed to applying risk management programs used to prevent and detect pipeline defects and leaks to cover more pipeline mileage than required by existing regulations.¹² Industry is also working with PHMSA to encourage the adoption of advanced inspection technologies and to allow integrity management practices when new structures are built near a pipeline. Such practices may be preferable to replacing entire pipelines or pipeline segments because pipeline replacement requires removing all of the natural gas from the pipeline (a practice commonly referred to as a “blowdown”).

INGAA recommends that EPA revisit emission and cost estimates for the proposed rule. In the regulatory impact document,¹³ EPA over-estimates the emission increases that would result from adopting the rule as proposed. EPA’s analysis refers to previous analysis from the 2016 Subpart OOOOa rulemaking and the 2018 proposed reconsideration rule, including analysis in the September 2018 Technical Support Document (TSD).¹⁴ INGAA submitted comments on both the 2016 rulemaking¹⁵ and 2018 proposed rule.¹⁶ INGAA’s prior comments identified several deficiencies in EPA’s emission estimates, such as reliance on data from a 1990s study completed by EPA and the Gas Research Institute. As discussed in INGAA’s previous comments, there are more recent data available that would provide better emission estimates. Similarly, the regulatory impact document relied on compliance cost estimates from the 2016 rule and 2018 proposed rule; EPA should refer to INGAA’s previous comments on compliance cost estimates for transmission and storage facilities.

INGAA appreciates your consideration of these comments and welcomes additional dialogue. Please contact me at 202-216-5955 or ssnyder@ingaa.org if you have any questions. Thank you.

Sincerely,



Sandra Y. Snyder
Senior Regulatory Attorney, EH&S
Interstate Natural Gas Association of America

Enclosure: Attachment A

¹¹ See U.S. EIA, Underground Natural Gas Storage Capacity, https://www.eia.gov/dnav/ng/ng_stor_cap_dcunus_a.htm (Apr. 2018).

¹² See INGAA Comments on PHMSA Advanced Notice of Proposed Rulemaking for Safety of Gas Transmission Pipelines at 3 (Jan. 20, 2012), <http://www.ingaa.org/File.aspx?id=17587>.

¹³ EPA-452/R-19-001, “Regulatory Impact Analysis for the Proposed Oil and Natural Gas Sector: Emission Standards for New, Reconstructed, and Modified Sources Review,” Aug. 2019.

¹⁴ EPA-HQ-OAR-2017-0483-0040.

¹⁵ EPA-HQ-OAR-2010-0505-6872.

¹⁶ INGAA comments submitted to docket ID No. EPA-HQ-OAR-2017-0483, Dec. 17, 2018.

Attachment A

Members of the Interstate Natural Gas Association of America (INGAA) commit to continuously improving practices to minimize methane emissions from interstate natural gas transmission and storage operations in a prudent and environmentally responsible manner.

To further reduce methane emissions from natural gas transmission and storage facilities while maintaining pipeline integrity, safe operations and minimizing adverse customer and community impacts, INGAA member companies commit to the following:

Pipelines & Pneumatic Controllers

Minimizing methane emissions from natural gas pipelines and pneumatic controllers

- **Maintaining safe and efficient operations** while minimizing methane emissions from interstate natural gas pipelines during maintenance, repair or replacement (a practice commonly referred to as a “blowdown”) by evaluating and implementing voluntary practices, such as those found in the U.S. Environmental Protection Agency’s (EPA’s) Natural Gas STAR Program.
- **Selecting air-driven, low-bleed or intermittent pneumatic controllers** when installing new pneumatic controllers, unless a different device is required for safe operations. For existing high-bleed pneumatic controllers, INGAA members will evaluate the feasibility of replacing them with air-driven, low-bleed or intermittent controllers.

Storage & Compressor Stations

Minimizing methane emissions from natural gas storage wells and compressor stations

- **Minimizing emissions from natural gas transmission and storage compressor stations**, where practical, prior to conducting planned maintenance.
- **Minimizing methane emissions from rod packing seals** on all reciprocating compressors at transmission and storage facilities. Member companies agree to replace rod packing on all transmission and storage reciprocating compressors by utilizing one of the following options: (1) a condition-based replacement approach; (2) replacing packing every 26,000 hours of operation; or (3) replacing packing 36 months from the date of the most recent rod packing replacement.
- **Conducting leak surveys at transmission and storage compressor stations** to reduce emissions by evaluating leaks and taking corrective actions. INGAA member companies will perform leak surveys at all transmission and storage compressor stations owned and operated by INGAA member companies by 2022.
- **Conducting leak surveys at all natural gas storage wells** owned and operated by INGAA member companies by 2025.

R&D and Information Sharing

Developing effective practices and sharing information

- **Reporting their methane emissions transparently.** INGAA member companies will also continue to collaborate within the membership and with other organizations on research and development (R&D) to identify effective practices to detect and reduce methane emissions. INGAA member companies are analyzing the data reported under EPA’s Greenhouse Gas Mandatory Reporting Rule to improve this information and identify additional opportunities to reduce methane emissions.

Continued on back >

Regulatory Compliance & Voluntary Commitments

INGAA member companies are regulated by various state and federal agencies. Among other requirements, they currently implement risk management programs and conduct monitoring, inspection and maintenance at natural gas pipeline and storage facilities. INGAA member companies also comply with applicable requirements to report methane emissions as part of the EPA's Greenhouse Gas Mandatory Reporting Rule and applicable state programs.

INGAA member companies have a history of working with these regulators to ensure that natural gas pipelines, compressor stations and storage facilities are designed and built safely and operate in ways that minimize methane emissions. As regulatory requirements evolve, INGAA member companies are committed to working with regulators to identify appropriate enhancements to reduce the risk of leaks, improve detection methods and enhance standard practices.

INGAA member companies have agreed to these voluntary commitments because it is socially and environmentally responsible and good business for natural gas transmission and storage companies to reduce methane emissions. By measuring and monitoring emissions over two decades, INGAA member companies have gained knowledge about potential sources. This experience has enabled the industry to target sources with the greatest potential for emissions improvements and implement cost-effective reduction strategies. As a result, the transmission and storage sector of the natural gas industry reduced its methane emissions by 44 percent from 1990 to 2016, according to the EPA, even while total U.S. natural gas consumption increased by 43 percent during the same time frame.

Additional Voluntary Methane Reduction Programs

In addition to these commitments, some INGAA member companies participate in voluntary programs intended to reduce methane emissions, such as the EPA's Natural Gas STAR and Methane Challenge Programs or the ONE Future Coalition.

The Natural Gas STAR Program is a voluntary partnership between the EPA and the oil and natural gas industry. It is designed to encourage companies to adopt cost-effective technologies and practices to improve operational efficiency and reduce methane emissions. Participating INGAA member companies voluntarily report emissions under the EPA Natural Gas STAR and Methane Challenge Programs.

Members of the ONE Future Coalition are working collectively to achieve a science-based average rate of methane emissions across their facilities equivalent to 1 percent (or less) of total natural gas production.

INGAA Members

- Boardwalk Pipeline Partners
- Cheniere Energy, Inc.
- Con Edison Transmission, Inc.
- Dominion Energy
- DTE Midstream
- Enable Midstream Partners
- Enbridge
- Equitrans Midstream
- Iroquois Pipeline Operating Company
- Kinder Morgan
- Millennium Pipeline Company L.L.C.
- National Fuel Gas Company
- National Grid
- NextEra Energy Resources
- ONEOK
- Pacific Gas and Electric Company
- Piedmont Natural Gas
- Sempra LNG & Midstream, LLC
- Southern Company Gas
- Southern Star Central Gas Pipeline, Inc.
- Tallgrass Energy , LP
- The Williams Companies, Inc.
- TransCanada Corp - US Pipelines
- UGI Energy Services, LLC
- WBI Energy, Inc.

INGAA is a trade organization that advocates regulatory and legislative positions of importance to the natural gas pipeline industry. INGAA's members represent the majority of the interstate natural gas transmission pipeline companies in the United States, operating approximately 200,000 miles of pipelines and serving as an indispensable link between natural gas producers and consumers.