



eBrief

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GPA MIDSTREAM CONVENTION

April 9 - 12, 2017

San Antonio, Texas

Convention Early Bird Registration deadline nears

Online registration for the 2017 GPA Midstream Convention opened earlier this month. Please keep the following registration deadlines in mind:

Early Bird Registration Rates - before Feb. 10

GPA Midstream and GPSA Members - \$640

Non-Members - \$1,020

Advance Registration Rates - before March 10

GPA Midstream and GPSA Members - \$740

Non-Members - \$1,120

On-Site Registration Rates - after March 10

GPA Midstream and GPSA Members - \$840

Non-Members - \$1,220

Before you register, we encourage you to [check your company's membership status](#) because GPA and GPSA members save on registration.

The fastest, easiest way to register is online. Visit our [convention registration page](#) for detailed information about how to register online.

GOVERNMENT AFFAIRS

Environmental Defense Fund (EDF)/National Energy Technology Laboratory synthesis paper of 16 methane studies published

On Jan. 23, Science Direct's "Journal of Cleaner Production" published the Environmental Defense Fund (EDF)/National Energy Technology Laboratory synthesis paper of recent ground-level methane measurement from the U.S. natural gas supply chain. This paper aggregates the results of EDF's 16 studies on methane emissions from the natural gas value chain from production through distribution.

A major takeaway for GPA Midstream is that the paper indicates a methane leak/loss rate of 1.7 percent (methane leak and vented emissions/total production), which is considerably lower than the 2.5 percent and higher values EDF has been stating. The paper's number is close to the 1.45 percent methane leak loss rate estimated on the basis of the 2014 National Greenhouse Gas Inventory emissions.

It is also important to note the paper highlights that gathering facilities are significant emission sources that have been omitted or undercounted in many studies to date. The paper further states that "gathering facilities and production pneumatics are the top methane emission reduction opportunities for the natural gas sector, but there are knowledge gaps and sources of uncertainty that merit further research." The paper goes on to say, "it is logical to make gathering stations and production pneumatics the top priorities for emission reduction opportunities, but further research is required to attribute unassigned emissions to specific sources."

GPA Midstream members have been proactively addressing emissions concerns with the Environmental Protection Agency (EPA) for many years, providing the agency with information on natural gas processing plants since 2011. GPA Midstream members will also provide EPA with gathering information starting in March 2017.

[Purchase/view the paper here.](#)

Regulatory freeze and other executive actions

The Trump Administration has quickly started to deliver on campaign promises to address regulations. In its first weeks, the administration took a number of regulatory actions that will potentially provide regulatory relief to the midstream industry.

The first is White House Chief of Staff Reince Priebus' memorandum on a regulatory freeze for agencies and executive departments. Essentially, this memorandum creates a couple of categories that will freeze regulations that have been published in the Federal Register but are still within the 60 days before they go final. One such regulation on which GPA Midstream has focused is EPA's Risk Management Plan (RMP) Rule.

Another category in the memorandum includes regulations that have been sent to the Federal Register but have not been published, one example being PHMSA's Safety of Hazardous Liquid Pipelines rule. This final rule will most likely be immediately withdrawn until reviewed and approved by the new administration.

Lastly, there is still some debate as to what happens to regulations that are currently being developed. An argument can be made that they do not fall into the other categories and therefore aren't impacted from this regulatory freeze. Another argument can be made that the memorandum contains key words that state "any substantive action by an agency that promulgates or is expected to lead to the promulgation of a final rule or regulation" to reason that this pertains to regulations being developed. Regardless, most regulatory actions will see at least a 60-day delay.

White House approves five executive orders of note to midstream industry

On Jan. 24, the White House approved five additional executive orders of note to the midstream industry. Two were for expediting pipelines, specifically Keystone XL and the Dakota Access pipelines.

The third is a requirement that "all new pipelines, as well as retrofitted, repaired, or expanded pipelines use materials and equipment produced in the United States to the maximum extent possible and to the extent permitted by law."

The fourth executive order directs agencies to support the expansion of manufacturing in the United States. Its focus is for expedited reviews and approvals for proposals to construct or expand manufacturing facilities, achieved through reductions in regulatory burdens affecting domestic manufacturing.

The fifth executive order is for expediting high priority infrastructure projects through the permitting process.

The hope is that all of the executive orders will help boost American energy and manufacturing, and energy infrastructure projects get developed and will not be delayed due to excessive and unnecessary regulatory burdens.

EPA grants and contracts freeze

News outlets in Washington, D.C., have been reporting that the new Trump Administration team has imposed a temporary freeze on grants and contracts by EPA. While grants may not be an immediate concern to midstream operations, contracts could potentially impact midstream operations. EPA roughly awards \$6.4 billion in federal contracts. A lot of work conducted by EPA is done by contractors; as a result, studies, science, and even permitting, could be impacted. So if you are waiting for an EPA permit and EPA has used a federal contractor for that permit, you may be subject to a delay. Much about this freeze remains unclear, including whether existing federal contracts that EPA has in place will be impacted. Especially because of this item, GPA Midstream wants to make sure to raise this issue with our membership.

[Learn more.](#)

Additional regulations delayed

On Jan. 25, the Trump Administration announced in the Federal Register that close to 30 specific EPA regulations will be delayed until March 21, 2017.

[View the regulations.](#)

PHMSA Gas Pipeline Advisory Committee January meeting update

PHMSA held a Gas Pipeline Advisory Committee (GPAC) on Jan. 11 -12 in Arlington, Va. The focus of the meeting was PHMSA's Safety of Gas Transmission and Gathering Pipeline rule, which is often referred to as the Gas Mega Rule. This was the first of what we believe to be at least two (maybe three) GPAC meetings specifically focused on this rule. The next meeting is tentatively scheduled for Feb. 28 - March 2. GPA Midstream pushed PHMSA on several gathering issues during the meeting for a greater cost benefit analysis that needed to be done on the gathering issues.

The GPAC's final vote on management of change sparked a fairly harsh reaction from the Environmental Defense Fund (EDF) GPAC member who said that gathering lines need much greater regulation and always seem to get a free pass. An amendment on management of change that exempted distribution and gathering lines was ultimately passed by the GPAC committee, even though the EDF representative and the GPAC Pipeline Safety Trust representative strongly objected. This sparked a fierce debate in which EDF and the Pipeline Safety Trust representatives stipulated that they want greater regulation of gathering lines and are tired of gathering lines getting exemptions.

Please note that one of the main concerns with the Gas Mega Rule is that it intentionally or unintentionally subjects gathering lines to transmission lines requirements. In order to make the rule workable and functional, a number of items need to be clarified as to which lines are covered by the regulation. It seemed that the two representatives wanted all the transmission requirements applied to gathering lines and were adamantly opposed to any effort to the contrary. It is also important to note that no GPAC representative specifically represents gathering, even though gathering consists of a large portion of the Gas Mega Rule. We expect that at the next meeting GPAC will address Assessments Outside of High Consequence Areas, Strengthened Assessment Requirements, Integrity Verification Process (IVP) for Grandfathered Segments, Reporting (Primarily Gathering), Gathering Lines (debate about which Class 1 gathering lines should be regulated, 8 inch, 12 inch, 16 inch, etc.), Repair Criteria Revisions, and Gas Transmission and Distribution Centers Definitions.

It is important to note that PHMSA will most likely not provide more than a week or two of notice if the next GPAC meeting is moving forward on Feb. 28. With the new administration, many items are up in the air; therefore it is imperative that GPA Midstream remain on top of matters and prepared for appropriate actions. The GPA Midstream Pipeline Safety Committee will hold a call the second week of February to discuss recent developments. A notice will be sent out this week to the Pipeline Safety Committee. E-mail GPA Midstream Vice President of Government Affairs [Matt Hite](#) with questions.

Oklahoma gathering bill resurfaces in Oklahoma House of Representatives

Oklahoma House Representative Todd Thomsen (R) District 25, chairman of the Utilities Committee, recently introduced HB 1672. GPA Midstream wants to highlight this bill because we believe this is the same issue we have had on gathering from last session. This time we have a new bill and sponsor that will change the definition of gathering to now include processing in it. We are tracking this down but still believe the Oklahoma Independent Petroleum Association remains behind this effort. GPA Midstream is reviewing the bill and will follow this issue closely. E-mail [Matt Hite](#) with questions.

[View the bill.](#)

GPA Midstream secures temporary wins in PHMSA's recent draft Hazardous Liquid Pipeline Rule

PHMSA's "Safety of Hazardous Liquids Pipelines" final rule was signed on Jan. 13 by former PHMSA Administrator Marie Therese Dominguez. However, it was not published in the Federal Register (the final step required to finalizing a rulemaking) prior to the Jan. 20 administration transition. It looks like this rule will most likely be subject to the White House Chief of Staff Reince Priebus' regulatory freeze memorandum, which requires agencies to withdraw and hold regulations that have been submitted, but not published, in the Federal Register until the new administration has reviewed them. We are most likely looking at a 60-day delay in publication. It's also important to note that the new administration can change the recently released text.

PHMSA has made a number of changes to the draft final rule in the latest version, for which GPA Midstream successfully advocated. High among GPA Midstream concerns raised and that PHMSA addressed and responded to was the requirement that all gathering lines would need to be piggable.

PHMSA addressed GPA Midstream concerns and exempted rural gathering lines. As proposed, the rule would have required the development and implementation of leak detection systems. The requirements would have been applicable to all regulated pipeline segments without allocating timeframes for development and implementation. The requirement will not be applied to rural gathering segments based on the low accident history data presented to PHMSA. It is important to note that these GPA Midstream wins haven't yet been finalized, but once achieved, they would save GPA Midstream members millions of dollars over the next few years. A huge thank you goes out to the Pipeline Safety Committee and GPA Midstream consultant DeWitt Burdeaux for their help with the GPA Midstream comments.

Trump EPA Nominee Scott Pruitt is set to advance

On Feb. 1, the U.S. Senate Committee on Environment and Public Works will hold a vote to advance the nomination of President Trump's EPA Nominee Scott Pruitt. We expect him to pass out of committee along a party line vote after he was asked and answered more than 1,200 follow-up questions from his January nomination hearing. We have heard two different predictions from Capitol Hill. The first is that once he passes out of committee, his nomination will go to the full U.S. Senate the following week. The second is that the Democrats will delay his full Senate confirmation vote until the end of February. Regardless, it will be good to get some leadership at EPA since GPA Midstream has a number of issues before the agency.

GPA Midstream signs letter of support for Oklahoma Attorney General Scott Pruitt to lead EPA

GPA Midstream Association signed onto a coalition trade association letter led by the National

Association of Manufacturers to support President Donald Trump's nomination of Oklahoma Attorney General Scott Pruitt to lead the Environmental Protection Agency. The letter requests that the U.S. Senate swiftly confirms the Pruitt nomination. American businesses have faced an enormous regulatory burden and have seen billions of dollars in regulations imposed on them during the Obama Administration. The letter highlights the fact that Pruitt is the right person to restore reasonableness to the nation's environmental laws and will properly balance the need for environmental protection with economic growth. The letter is expected to be sent to the U.S. Senate the first week of February in order to demonstrate that the American business community is fully supportive of the Pruitt nomination.

TECHNICAL/RESEARCH

Colorado School of Mines awarded research contract to study solids formation in propane

A team of researchers led by Dr. Carolyn Koh from the Colorado School of Mines Center for Hydrate Research will soon begin work on GPA Midstream Research Project #172: Solids Formation In LPG In The Presence Of Methanol. The work involves measuring the Vapor-Liquid-Equilibria (VLE) of Liquefied Petroleum Gas (LPG)-Water-Methanol mixtures subsaturated with water and solids formation data in the presence of methanol. The measurements will cover both high pressure storage conditions and low pressure, low temperature conditions simulating that seen by a typical end user. This project is one in a series whose overall goal is to answer questions such as "How much methanol should be added to LPG that contains enough water such that the LPG fails the freeze valve test?" and "How much water in LPG will cause a failed freeze valve test?" According to the proposal, two years of funding and three years of work will be required to complete this project.

GPA MIDSTREAM/GPSA CALENDAR

February

- 8** - Houston GPA Midstream February Luncheon
- 14** - Appalachian Basin GPA Midstream 1st Quarter Luncheon
- 17** - Houston GPA Midstream Sporting Clays
- 22** - Permian Basin GPA Midstream Spring Training
- 25** - Appalachian Basin GPA Midstream YP Ski Trip

[View details on events listed above](#)