



*We are the primary advocates for a sustainable
Midstream Industry focused on enhancing the viability
of natural gas and natural gas liquids.*

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Capitol Hill Update

GPA-supported legislation signed into law

GPA secured a legislative victory when President Barack Obama signed into public law the highway bill, H.R. 22, the "Fixing America's Surface Transportation Act" (FAST ACT). GPA joined with a large coalition of national trade associations in support of two separate permit streamlining bills (H.R. 348, the "Responsibly And Professionally Invigorating Development (RAPID) Act" and S. 280, the "Federal Permitting Improvement Act of 2015") that each made it into their respective House and Senate versions of the highway bill. The permit streamlining provisions included in H.R. 22 will bring greater efficiency, transparency and accountability to the federal permitting review process.

More specifically, the provision:

- Requires that agencies involve themselves in the process early and comment early, avoiding eleventh-hour objections that can restart the entire review timetable;
- Establishes a reasonable process for determining the scope of project alternatives, so that the environmental review does not devolve into an endless quest to evaluate infeasible alternatives;
- Allows state-level environmental reviews to be used where the state has done a competent job, thereby avoiding needless duplication of state work by federal reviewers;
- Reduces the statute of limitations to challenge a project review from six years to two years; and requires courts, when addressing requests for injunctions to stop covered projects, to consider the potential negative impacts on job creation if the injunction is granted.

Congratulations to GPA's Regulatory Committee led by Chair Cris Castillo, Tesoro, Vice Chair Dave Rader, ONEOK, and Martin Marz, Tesoro.

GPA files four sets of methane comments in response to EPA's proposed methane rules

GPA recently filed four sets of comments with the U.S. Environmental Protection Agency (EPA) in response to its suite of regulations addressing methane emissions in the oil and gas sector.

GPA responded to "Oil and Natural Gas Sector: Emission Standards for New and Modified Sources;" "Review of New Sources and Modifications in Indian Country: Federal Implementation Plan for Managing Air Emissions from True Minor Sources Engaged in Oil and Natural Gas Production in Indian Country;" "Source Determination for Certain Emission Units in the Oil and Natural Gas Sector;" and "Release of Draft Control Techniques Guidelines for the Oil and Natural Gas Industry."

"This is a duplicative, unnecessary and overly burdensome set of regulations that will be placed on the midstream industry. We have successfully worked with EPA in the past and have worked to reduce emissions to the fullest extent possible. This whole process feels like EPA has been operating on a politically driven timeline that does not allow for our members to fully understand and conduct a rigorous assessment of these regulations and their impacts. Even with methane emissions already declining, these proposals will create a lot of uncertainty in the midstream industry, and that isn't good," said GPA President and CEO Mark Sutton.

GPA members have taken significant steps to reduce methane and VOC emissions from their operations, with a number of members voluntarily participating in EPA's Natural Gas Star Program where they have reduced methane emissions in accordance with EPA's program requirements.

GPA comments cited EPA's Greenhouse Gas Inventory, which acknowledged this year that methane emissions from natural gas production have fallen 35 percent since 2007, despite a 22 percent increase in gas production over the same period. EPA last year found that methane emissions from hydraulically fractured gas wells had fallen 73 percent from 2011 to 2013. Overall methane emissions are 17 percent lower than in 1990.

"GPA has a long history of working collaboratively with state and federal regulators to identify commonsense solutions on a wide range of regulatory issues, including many environmental issues," Sutton said. "We hope to continue that collaborative working relationship with EPA through this rulemaking."

Pipeline safety legislation passes Senate Committee

On Dec. 12, the U.S. Senate Committee on Commerce, Science and Transportation sent a four-year reauthorization of pipeline safety programs to the full Senate by voice vote.

The bill, S. 2276, the *SAFE PIPES Act*, would increase authorized funds for federal pipeline safety programs under the Department of Transportation by about 40 percent in fiscal 2016 and increase the amount available from a trust fund established to help pay for oil spill cleanup by almost 7 percent in the 2016 fiscal year from fiscal 2015. Safety programs were last reauthorized in a 2012 law (PL 112-90) that expired this past September.

The legislation would ensure the Pipeline and Hazardous Materials Safety Administration (PHMSA) completes work required by the last reauthorization, addresses staffing challenges and

establishes minimum standards for natural gas storage facilities.

Senate Commerce Chairman John Thune (R-SD) predicted that the bill could come to the floor next year. GPA has heard that the House Transportation and Infrastructure Committee is currently drafting their respective Pipeline Safety Reauthorization version and is expected to move it in the first quarter of 2016. GPA has been actively working with the House Transportation and Infrastructure Committee staff on this issue.

What's in the Senate Bill:

- Authorization levels for the Department of Transportation pipeline programs would increase under the bill from about \$91 million a year to \$127 million in fiscal 2016, and then increase each year to just over \$135 million in fiscal year 2019.
- Authorization from the Oil Spill Liability Trust Fund would also rise from about \$18.6 million a year to about \$19.9 million in fiscal year 2016, and then increase to \$21.1 million in fiscal 2019.
- The bill makes a number of policy changes, including restricting resources for further pipeline safety rulemakings until current rulemaking work is completed; directing the transportation secretary to consider establishing a national pipeline inspection database; requiring minimum safety standards for underground natural gas storage facilities within two years of the bill's enactment; and adding the Great Lakes as a high risk area for pipelines.
- Five amendments were passed during the markup and added to the bill:
 - Two amendments were from Senator Kelly Ayotte (R-NH) that focused on requiring PHMSA to consult with FERC as part of the pre-filing procedures and permitting process for new natural gas pipeline infrastructure
 - Another from Senator Ayotte (R-NH) that allows a certified state authority to participate in the inspection and oversight of interstate pipeline safety transportation
 - One from Senator Ed Markey (D-MA) that requires PHMSA to provide Congress with a report on the metrics related to lost and unaccounted for natural gas from distribution pipelines and systems
 - Senator Markey (D-MA) also added an amendment that will require the Government Accountability Office to produce a report that reviews state policies relating to natural gas leaks, more specifically natural gas distribution pipelines or systems that pose a safety threat
 - The last Senator Markey (D-MA) amendment was to have PHMSA provide congress with copies of oil spill response plans. A Senator Ayotte amendment on requiring odorization of the entire natural gas stream was ultimately not offered

GPA selected to serve as Small Entity Representative on EPA's Risk Management Plan Small Business Review Panel

EPA is developing a proposed rule that will update EPA's Risk Management Plan (RMP). As part of that process, EPA conducted a Small Business Review Panel to discuss some of the changes they are proposing, and GPA was successful in securing a seat on the panel as a Small Entity Representative. GPA, working with the Safety Committee, filed comments on EPA's proposal that

focused on lessening the burdens EPA is attempting to place on our members.

Technical/Research and Advocacy

GPA comments on Bureau of Land Management proposed rules

The U.S. Bureau of Land Management (BLM) recently closed the comment period on three proposed rules: Onshore Oil and Gas Order 3 (Site Security), Order 4 (Measurement of Oil), and Order 5 (Measurement of Natural Gas). GPA, through its Technical Committee, filed documents on all three proposals. With these rules, the BLM is trying to address the measurement, collection and securing of information relating to produced oil and natural gas on federal lands. BLM feels that these orders are necessary since they believe that the current measurement standards are outdated and therefore may have resulted in lost royalties. GPA pushed back on all three proposed rules in our comments because we felt the rules were unnecessary at this time and would require midstream members to replace all of our measurement equipment at a high cost to get the same measurement results. GPA further voiced concerns that the proposed rules will cause unnecessary delays in our members' operations.

State Government Affairs Updates

State legislative sessions to begin

Several state legislatures will begin session in 2016, and states being monitored by the GPA Legislative Committee include:

	Convene	Adjourn
Arkansas	April 13	May 12
Colorado	Jan. 13	May 11
Kansas	Jan. 11	May 30
Louisiana	March 14	June 6
New Mexico	Jan. 19	Feb. 18
North Dakota	No regular session	
Ohio	Jan. 5	Meets throughout year
Oklahoma	Feb. 1	May 27
Pennsylvania	Jan. 1	Meets throughout year
Texas	No regular session	
Wyoming	Feb. 8	Early March

Changes at the Texas Railroad Commission

The chairman and commissioners of the Railroad Commission of Texas (RRC) unanimously

appointed Kimberly Corley as executive director of the RRC. Corley was chosen from a nationwide search and has more than 30 years of technical and policy expertise with oil and gas pipeline operations. She retired from Shell Oil Co.

In other commission news, RRC Chairman David Porter has announced that he will not be seeking reelection. Former Land Commissioner Jerry Patterson and Rep. Jim Keffer (R-Eastland) who is retiring from his House seat have announced interest in the race.

Texas legislative energy-related interim charges to begin

In January, the Senate Committee on State Affairs will focus on eminent domain. The committee will begin gathering and reviewing data on the compensation provided to private property owners for property purchased or taken by entities with eminent domain authority. The committee will examine the variance, if any, between the offers and the fair market values of properties taken through eminent domain and make recommendations to ensure property owners are fairly compensated.

The Senate Committee on Natural Resources and Economic Development will focus on implementation of federal regulations. The committee will study the impact of identifying challenges Texas faces implementing proposed federal EPA regulations, including, but not limited to the Clean Power Plan, reduction of methane and volatile organic compounds (VOCs) from oil and gas facilities, ozone standards, regional haze, and the waters of the U.S. If needed, the committee will make recommendations for legislative or constitutional action.

The House Committee on Environmental Resources will be monitoring initiatives at the local level to regulate environmental issues and consider whether legislative changes are needed to resolve ambiguous regulations regarding the priority of state or local authority. This interim charge is the result of the passage of HB40, known as the "preemption bill" during the 2015 session.

The House Committee on Environmental Resources will study and make recommendations regarding the use of the Texas Emission Reduction Plan funds, including reducing air emissions from mobile sources in response to changes in ozone standards.

2016 GPA Convention Updates

GPA Convention registration to open next month

GPA will open online registration for the GPA Convention on Jan. 6, and our room block at the Hilton New Orleans Riverside will open the same day. Look for an e-mail on Jan. 6 with more information on how to create an account and register for the convention. GPA and GPSA members will save on registration, and for the first time, your convention registration fee will automatically be selected based on your company's membership status as of Jan. 6.

Early Bird Registration Rates - by Feb. 12

GPA and GPSA Members - \$615

Non-Members - \$995

Advance Registration Rates - by March 12

GPA and GPSA Members - \$715

Non-Members - \$1,095

On-Site Registration Rates - after March 12

GPA and GPSA Members - \$815

Non-Members - \$1,195

We look forward to seeing you in New Orleans! For more information, visit

www.GPAconvention.org.

Chapter News

Rocky Mountain GPA hosts successful annual meeting

Rocky Mountain GPA held its annual meeting on Nov. 19, and it was the second year of an expanded format including exhibits, a breakfast buffet, three concurrent sessions, a keynote lunch and a closing cocktail reception. About 300 midstream professionals attended, and all exhibit space and sponsorships sold.

During the luncheon, chapter President Kayce Stone and Vice President Dave Sauve reiterated that the organization is committed to serving as a forum for exchanging ideas and information regarding the midstream industry and providing opportunities for social interaction with others involved in the industry in the Rocky Mountain area. Specific accomplishments mentioned included:

- Rollout of a newly improved web site
- Sellouts of two golf outings and the sporting clays event
- 46 corporate memberships
- Enhanced training opportunities for Rocky Mountain midstream personnel
- Community involvement:
 - Assisted the Swansea neighborhood families with painting, yard cleanup and alley debris removal projects
 - Participated as a sponsor for the Friends of Denver Fire Department (FDFD) Cigar and BBQ dinner that assisted with raising \$35,000 in funds toward the department
 - Sponsored Warren Tech, a Denver area career and technical education center for high school age students, at the annual holiday party, which raised funds for enhancing accredited programs
 - Awarded 20 scholarships to students at six area universities totaling \$26,000

The chapter also recognized the contributions of three outstanding board members: Alli Nold, Mark Peper and Ashley Coats. President Kayce Stone was presented an award for her outstanding leadership.

For more information about GPA's Rocky Mountain chapter, visit www.gparmc.org.

GPAAE - GCC Joint Conference call for papers and call for sponsors

GPA Europe (GPAAE) and the GPA Gulf Cooperation Council (GCC) are finalizing the format for a joint chapter conference to be held Sept. 21 - 23, 2016, in Istanbul. Papers on all topics dealing with the natural gas processing industry will be considered, and plans are to have an even split of papers from GPAAE and GCC. A selection committee representing both chapters will select the final slate of papers, which are expected to publish in April 2016. This is a great opportunity for industry professionals to expose their ideas, technology and companies to a wide and interested audience from two chapter areas.

Send a 100-word abstract with title and details of the author to admin@gpaeurope.com. For additional details, contact Sandy Dunlop, executive administrator GPA Europe Ltd., +44 1252 625 542.

Members-Only Offers

Reminder: GPA members have free access to Hart Energy's weekly Midstream Monitor publication

As part of GPA's partnership with Hart Energy, any employee of a GPA member company has access to the weekly Midstream Monitor publication. GPA posts the e-newsletter in the members-only area of our web site, and any employee of a member company may create a free account on www.GPAGlobal.org to access our members-only information.

Midstream Business discounted subscription

GPA members also have access to a greatly discounted one-year subscription to Midstream Business (12 issues), which is the official publication of GPA. Visit the members-only section of www.GPAGlobal.org for more information.

Discount on Marcellus-Utica Midstream Conference registration

As another partnership benefit, Hart Energy is offering a 50 percent discount to GPA members registering for the Marcellus-Utica Midstream Conference, January 26 - 28, in Pittsburgh, Penn. GPA members interested in attending may find the registration code within the members-only area of our web site. Visit www.marcellusmidstream.com for more information about the conference.

[Learn how to create an account and where to find these members-only offers.](#)

GPA/GPSA Calendar

January

13 - Houston GPA Luncheon

20 - GPA Safety Committee Meeting

[View details on events listed above](#)

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