BEFORE THE
UNITED STATES DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
WASHINGTON, D.C.

Gas Pipeline Advisory Committee (GPAC) and Liquid Pipeline Advisory Committee (LPAC) Meeting	]	Docket No. PHMSA-2021-0069

COMMENTS IN RESPONSE TO THE PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION PUBLIC MEETING

FILED BY
AMERICAN GAS ASSOCIATION
AMERICAN PETROLEUM INSTITUTE
AMERICAN PUBLIC GAS ASSOCIATION
GPA MIDSTREAM ASSOCIATION
INTERSTATE NATURAL GAS ASSOCIATION OF AMERICA

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Introduction

On October 20-21, 2021, the Pipeline and Hazardous Materials Safety Administration (PHMSA) held a public meeting[1] (referred to as "the meeting") of its Pipeline Advisory Committees (PACs) to provide regulatory updates and briefings on key issues, including pending and anticipated rulemakings, PHMSA's research and development (R&D) program, pipeline security issues, implementation of the PIPES Act of 2020, and continued development of Pipeline Safety Management Systems (PSMS). In addition, PHMSA discussed the proposed rulemaking "*Periodic Updates of Regulatory References to Technical Standards and Miscellaneous Amendments.*" The American Gas Association (AGA),[2] American Petroleum Institute (API),[3] Interstate Natural Gas Association of America (INGAA),[4] American Public Gas Association (APGA),[5] and GPA Midstream Association[6] (collectively "the Associations") appreciate the opportunity to submit written comments in response to the issues raised and discussed during this meeting.

The Associations support PHMSA's efforts to enhance the safety of our nation's pipeline system, including further advancing several pending regulatory actions aimed at improving pipeline safety. These rulemakings, discussed in detail below, play a critical role in continuing our joint effort to advance safety, protect the environment, and set standards that align with the most current industry practices.

The Associations support PHMSA's efforts to implement the PIPES Act provisions that seek to further reduce methane emissions, including Sections 113, 114, and 115. Continuing to advance rulemakings that have already been proposed, such as PHMSA's "*Amendments to Parts 192 and 195 to Require Valve Installation and Minimum Rupture Detection Standards,*" the "*Class Location Change"* rulemaking, and

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[1] https://primis.phmsa.dot.gov/meetings/Mtg154.mtg

[2] AGA, founded in 1918, represents more than 200 local energy companies that deliver clean natural gas throughout the United States. There are more than 73 million residential, commercial, and industrial natural gas customers in the U.S., of which 95 percent — over 69 million customers — receive their gas from AGA members. Today, natural gas meets more than one-fourth of the United States' energy needs.

[3] API represents all segments of America's natural gas and oil industry, which supports more than 11 million U.S. jobs and is backed by a growing grassroots movement of millions of Americans. Our nearly 600 members produce, process and distribute the majority of the nation's energy, and participate in ***API Energy Excellence®***, which is accelerating environmental and safety progress by fostering new technologies and transparent reporting. API was formed in 1919 as a standards-setting organization and has developed more than 700 standards to enhance operational and environmental safety, efficiency and sustainability.

[4] INGAA is a trade association that advocates regulatory and legislative positions of importance to the interstate natural gas pipeline industry. INGAA is comprised of 26 members, representing the vast majority of the U.S. interstate natural gas transmission pipeline companies. INGAA's members operate nearly 200,000 miles of pipelines and serve as an indispensable link between natural gas producers and consumers.

[5] APGA is the national, non-profit association of publicly owned natural gas distribution systems. APGA was formed in 1961 as a non-profit, non-partisan organization, and currently has over 740 members in 37 states. Overall, there are nearly 1,000 municipally owned systems in the U.S. serving more than five million customers. Publicly owned gas systems are not-for-profit retail distribution entities that are owned by, and accountable to, the citizens they serve. They include municipal gas distribution systems, public utility districts, county districts, and other public agencies that have natural gas distribution facilities.

[6] GPA Midstream Association has served the U.S. energy industry since 1921 and has nearly 70 corporate members that directly employ more than 75,000 employees engaged in a wide variety of services that move vital energy products such as natural gas, natural gas liquids ("NGLs"), refined products and crude oil from production areas to markets across the United States, commonly referred to as "midstream activities". The work of our members indirectly creates or impacts an additional 450,000 jobs across the U.S. economy. GPA Midstream members recover more than 90% of the NGLs such as ethane, propane, butane and natural gasoline produced in the United States from more than 400 natural gas processing facilities. In 2017-2019 period, GPA Midstream members spent over $105 billion in capital improvements to serve the country's needs for reliable and affordable energy.

"*Discretionary Integrity Management Improvements*" will not only enhance public safety but also help reduce, and in some cases prevent, the release of natural gas. Furthermore, the Associations strongly urge PHMSA to use readily available industry data to better focus on other known sources of leaks and ways to reduce these leaks, such as reducing excavation damages, facilitating the remediation of known leak prone pipes, and encouraging operators to target their programs to addressing larger leaks for repair.

Section 114 of the PIPES Act of 2020 requires operators to update their existing inspection and maintenance procedures to consider hazardous leaks and minimize the release of natural gas. The Associations support eliminating hazardous leaks and working to minimize the release of natural gas. However, it appears that there is a lack of clarity between the self-executing mandate provision in the PIPES Act, PHMSA's role in reviewing operator procedures, and PHMSA's pending rulemaking to implement Section 113 of the PIPES Act, "*Gas Pipeline Leak Detection.*" The comments below provide recommendations for PHMSA to more clearly distinguish between these different provisions while continuing to enhance pipeline safety and protect the environment.

The comments below also support PHMSA and pipeline operators' continued focus and investment in research and development opportunities that identify new technologies, practices, and methods. This helps to enhance safety, the environment, and our nation's pipeline infrastructure. As practices and standards are revised, it is critical that PHMSA periodically updates any references to these standards in existing regulation. The Associations support collaborative efforts to develop, and as needed, update standards. These standards provide industry accepted guidance that helps natural gas and hazardous liquid operators safely operate and maintain their systems. As practices, technologies, and methods change, it is important to revise these standards to reflect such changes and to update provisions they include, which are used by the industry in implementing pipeline safety programs. It is equally important that PHMSA update existing regulations that incorporate these standards in a timely manner to ensure that these standards and existing regulations are in alignment.

Additionally, the Associations support measures that focus on the resilience of natural gas and hazardous liquid pipelines and help manage both cyber and physical security threats from impacting necessary ongoing operations of pipelines and pipeline facilities. The Associations encourage PHMSA to engage TSA actively and meaningfully in review of operator proposals for alternative measures in response to the recently issued TSA pipeline security directives in order to ensure that industry resources are focused on the highest priority activities.

The Associations Support Efforts That Enhance Public Safety and Protect the Environment

<u>Continuing to Focus on Meaningful Rulemakings</u>

The Associations continue to support actions which enhance existing safety measures, allow flexibility for operators to meet the intent of these safety requirements, and incorporate the use of new technologies or methods which meet or exceed existing regulations. Specifically, the pending rulemakings "*Amendments to Parts 192 and 195 to Require Valve Installation and Minimum Rupture Detection Standards,*" "*Class Location Change,"* and the "*Discretionary Integrity Management Improvements*" not only enhance pipeline safety but also align with the Administration's directives to reduce emissions.

"*Amendments to Parts 192 and 195 to require Valve Installation and Minimum Rupture Detection Standards*"

In this pending rulemaking, PHMSA has proposed revising its regulations for newly constructed or entirely replaced natural gas transmission and hazardous liquid pipelines to improve rupture mitigation and shorten pipeline segment isolation times in High Consequence Areas (HCAs) and select areas outside of HCAs. The primary benefit of rupture mitigation, such as installing automatic shut of valves (ASVs) or remote controlled valves (RCVs), is the ability to quickly control the amount of natural gas released after the incident has occurred to provide for public safety. Limiting the release of natural gas also reduces emissions.

The Associations appreciate the collaborative effort of the PACs to review this proposed regulation and suggest modifications that ensure that the final rule is technically feasible, reasonable, cost-effective and practical for operators to implement to continue to enhance safety. The discussion and positions voted on by the PAC at its July 22-23, 2020 meeting address the intent of the 2011 congressional mandate to enhance safety. Deviations from the PACs' final vote may further delay finalizing the 10-year-old mandate. The Associations urge PHMSA to align with the direction overwhelmingly endorsed by the PAC and move forward with finalizing this important rulemaking which not only limits the release of natural gas, but also provides environmental benefits.

"*Class Location Change"*

PHMSA's proposed Class Location Change rule will help improve the environment and safety by modernizing PHMSA's existing class location change regulations to provide an integrity management-based option for addressing class changes on gas transmission pipelines, as an alternative to the class change pipe replacements that are required under current regulations. The pipe replacements required under existing § 192.611 can necessitate "blowing down" natural gas to the atmosphere so that the replacement project can safely proceed.

The Associations estimate that class change pipe replacements under the current regulations result in up to 800 million standard cubic feet of natural gas blowdowns to the atmosphere each year, which would be substantially reduced under proposed § 192.618. This volume of natural gas could meet the needs of over 10,000 homes for a year and has the same greenhouse gas reduction benefits of removing 80,000 cars from the road in a one-year period.

Integrity management-based alternatives to these replacement projects could also reduce impacts to affected landowners and communities and reduces disruptions to energy supplies. Furthermore, the new integrity management-based option proposed by PHMSA will apply assessment and remediation requirements to a substantially larger mileage of pipeline than required under the current class location regulations, further enhancing pipeline safety.[7]

"Discretionary Integrity Management Improvements"

Finally, completion of the long-pending Discretionary Integrity Management Improvements rule will help reduce emissions while enhancing public safety. PHMSA proposed this rule in 2016 as part of the

[7] Association Comments to Class Location ANPRM at 34, https://www.regulations.gov/comment/PHMSA-2017-0151-0018

larger Gas Transmission and Gathering Notice of Proposed Rulemaking.[8] The GPAC met several times to review and provide recommendations regarding the rule in 2017 and 2018. Finalizing the rule will help reduce pipeline leaks and ruptures and therefore reduce emissions while improving safety, including by updating corrosion control requirements, allowing the use of advanced pipeline inspection technologies not contemplated by current PHMSA regulations, and modernizing requirements for responding to potential pipeline integrity threats identified through assessments.

Leveraging Available Data Can Help Operators and PHMSA Identify High Risk Pipelines and Components

In its Climate and Resilience Plan[9], PHMSA emphasizes the importance of using the best available science. Equally important is using the best available data as the basis for rulemaking. Reviewing incident statistics on causal factors and leak data from natural gas operators can be helpful in identifying key assets or activities that pose an increased risk to public safety and the environment.

For example, Figure 1 below shows 60% of distribution system methane emissions come from excavation damage and releases from leak-prone pipelines. PHMSA can help reduce these emissions by strengthening enforcement of excavation damage prevention programs, working with states to strengthen state damage prevention laws by removing exemptions and holding all excavators accountable, as well as continuing to encourage and advocate for the replacement of known leak-prone pipelines.

Similarly, Figure 2 shows that the impact of emissions caused from venting transmission pipelines during maintenance work and upset situations is more than 60 times greater than leaks that occur along the pipeline right-of-way. As mentioned above, the pending "Class Location Change" rulemaking provides optional methods to address class location changes that would reduce these emissions.

[8] Pipeline Safety: Safety of Gas Transmission and Gathering Pipelines, 81 Fed. Reg. 20,722 (Apr. 8, 2016).
[9] Department of Transportation Climate Action Plan (August 2021).

FIGURE 1: Gas Distribution Methane Emissions (2018)[10]

FIGURE 2: Gas Transmission Methane Emissions (2018)[11]

[10] PHMSA GPAC and LPAC Meeting October 21, 2021 (Meeting #154). "Agenda 6 3 PAC Section 114", slide 7
[11] PHMSA GPAC and LPAC Meeting October 21, 2021 (Meeting #154). "Agenda 6 3 PAC Section 114", slide 6

Further Clarity is Needed to Ensure that Implementation of Provisions of the PIPES Act of 2020 Align with the Statute

The Associations support PHMSA taking action to both protect public safety and reduce emissions through the agency's implementation of the PIPES Act of 2020. Through the EPA Methane Challenge and other industry commitments, operators are already taking steps to reduce methane emissions and have made significant headway over the past several years. To compliment these ongoing industry efforts, the Associations recommend that PHMSA clarify the requirements to comply with Sections 113 and 114 of the PIPES Act of 2020 to align with existing industry best practices to minimize emissions most efficiently. This is addressed within AGA's white paper "*Considerations for Eliminating Hazardous Leaks and Minimizing Releases of Natural Gas,*"[12] which was developed to give consistency within the industry on actions operators can take to comply with the self-executing mandate in the PIPES Act of 2020 and other actions operators could consider in advance of PHMSA rulemaking.

Section 114 of the PIPES Act of 2020 requires operators to modify their inspection and maintenance plans to consider the extent to which the plans will contribute to:

1. Public safety
2. Eliminating hazardous leaks
3. Minimizing releases of natural gas from pipeline facilities
4. Protecting the environment and
5. The extent to which the plan addresses the replacement or remediation of pipelines that are known to leak

PHMSA has stated it will begin assessing operators on their efforts to implement this self-executing mandate in early 2022. When conducting these assessments, PHMSA and state regulators conducting assessments on behalf of PHMSA must focus on the elements listed above.

There is an opportunity during these assessments for PHMSA and state regulators to seek information and data that will assist PHMSA in developing regulations under Sections 113 and 114 of the PIPES Act of 2020. For example, during an assessment, PHMSA or a state regulator could review an operator's existing leak detection and repair (LDAR) program and any voluntary programs an operator may be participating in which may be helping to reduce emissions. This information may help PHMSA identify the existing measures and practices in place that are effectively minimizing the release of natural gas to the atmosphere. It may also help PHMSA identify where R&D may be able to help advance technologies or practices to minimize or measure the release of natural gas to the atmosphere. In addition, PHMSA can gain knowledge of the diversity in existing pipeline infrastructures and the challenges of replacing infrastructure in densely urban areas (e.g., longer permitting times, conditions on when work can occur, higher replacement costs, limits to what can be installed). It is important to note that there are many means and methods that can reduce significant emissions, however not all are suitable for all operators and their ratepayers.

During the operator assessments, PHMSA and state regulators must be clear on which portions of the assessment are focused on compliance with the self-executing directive and which are limited to

[12] AGA Whitepaper: "*Considerations for Eliminating Hazardous Leaks and Minimizing Releases of Natural Gas*"

information gathering. This clarification between the assessment and knowledge seeking is critical to ensure that operators are not incorrectly penalized for measures which are being addressed as part of PHMSA's LDAR rulemaking (but are not currently required), or are outside of the scope of the self-executing mandate noted above. It is also critical for PHMSA to remain aware of current and future EPA methane emissions requirements, and coordinate with EPA, to ensure that PHMSA programs complement, rather than duplicate or conflict with, EPA programs.

It should be noted that prior to the finalization of the PIPES Act of 2020, many operators across all segments of the industry were participating in voluntary programs, such as EPA's Methane Challenge, to reduce and minimize emissions related to their operations. Additionally, the Associations have previously shared their climate commitments[13]. The Associations look forward to continued engagement with PHMSA as the Administration continues to work on the pending LDAR rulemaking.

PHMSA Should Continue to Focus and Invest in R&D Initiatives

R&D plays a critical role in helping the natural gas and hazardous liquid industry advance and continuously improve pipeline safety programs. New technologies and practices can improve how data is being captured and analyzed and can refine an operator's knowledge of its system. By leveraging new technologies and practices, operators can not only better understand their system but more effectively and proactively implement changes to help further reduce risk.

The Associations appreciate PHMSA continued partnerships with industry, research organizations, and the public to identify areas of common interest that have the potential to improve safety and drive innovative solutions and align R&D funding accordingly. While safety is, and always will be, the industry's top priority, natural gas operators are supportive of the new focus on reducing leaks within PHMSA's R&D program, including the use of alternative fuel sources such as hydrogen. Continuing to improve technologies and practices for reducing leaks provides a benefit to not just public safety but also the environment. Although we have made significant strides in partnering on strategic R&D priorities, where appropriate, we encourage more frequent engagement to ensure we stay aligned as emerging issues present opportunities for the development of technology solutions, such as leak detection, greenhouse gas emissions, and emerging fuels.

Standards Update

The industry is supportive of incorporating updated standards that have been developed with the consensus of the industry, government and regulatory bodies, and subject matter experts, including the public. Revised standards incorporate new methods, practices, equipment, and technology that improve the construction, maintenance, and monitoring of pipeline systems. However, there are many regulatory references to outdated technical standards in the pipeline safety regulations and there has been a lack of consistency in the frequency of updates to PHMSA's regulatory references to technical standards. As such, the Associations recommend that PHMSA consider a more structured process of updating its regulatory references biennially.

[13] Comments from AGA, API, INGAA, GPA Midstream and APGA on PHMSA Meeting #152 "Pipeline Leak Detection, Leak Repair an Methane Emission Reductions Public Meeting"

Incorporating updated standards regularly (such as every two years) allows for new learnings, practices, and technologies identified through R&D programs to be used to more effectively monitor and gather information about an operators' pipeline system, which will result in more up-to-date pipeline safety regulations.

PHMSA Should Update References to NFPA 58 and NFPA 59

NFPA 59 (2018) is a more comprehensive standard and aligns with industry practice. This updated standard increases the overall safety of the pipeline systems by incorporating advanced engineering, design, construction, maintenance, fire protection and personnel training requirements. The Associations urge PHMSA to update Part 192.11 and 192.7.(i)(3) to recognize the 2018 edition of the NFPA 59 "*Utility LP-Gas Plant Code*". Additionally, the Associations ask that PHMSA clarify Part 192.11 and identify the discrete and distinct use of NFPA 58 "*Liquefied Petroleum Gas Code"* and NFPA 59, based on scope and applicability. Updating to the 2018 edition of NFPA 59 and addressing the proposed edits to 192.7 and 192.11 would also address all the elements in the petition AGA filed with PHMSA on June 12, 2018.

PHMSA and TSA Must Work Collaboratively to Develop Feasible Security Requirements

The Associations urge PHMSA to actively engage with TSA on security policy decisions that directly impact pipeline safety and reliability. The "*Annex to the Memorandum of Understanding (MOU) between the Department of Homeland Security (DHS) and Department of Transportation (DOT)*"[14] directs PHMSA and TSA to collaborate and to seek consensus concerning measures aimed at reducing security-related risk and minimizing the consequences of emergencies. The MOU specifically calls for security planning to be based on risk.

TSA has developed criteria to assess facility criticality that are specific to each major pipeline subsector, i.e., natural gas distribution, natural gas transmission, and hazardous liquid transmission. Each pipeline operator is expected to use these criteria to identify facilities that are critical per TSA to the operation of the pipeline system. Some of the criteria leveraged PHMSA-developed pipeline safety requirements, e.g., DIMP, class locations, HCA and PHMSA-defined Major River-High Volume Area. While the Associations recognize there is a correlation between pipeline safety and pipeline security, facilities identified as requiring advanced pipeline safety measures do not necessarily equate to needing enhanced pipeline security measures.

> Example: According to TSA facility criticality criteria #3 for natural gas distribution, a valve located in a Class 4 location (regardless of operating pressure) beneath a busy intersection would need to be designated by the operator as 'critical' per TSA. Such designation expects the operator to create a security perimeter, lock the valve cover, provide illumination above the valve, and monitor the valve 24/7, among other measures. This would require blocking the

[14] "Annex to the Memorandum of Understanding (MOU) between the Department of Homeland Security (DHS) and Department of Transportation (DOT)"

intersection and locking the valve cover, which could be in conflict with select state pipeline safety requirements.

The Associations were advised by TSA that PHMSA was consulted in the development of the revised TSA facility criticality criteria in 2020. While TSA worked closely with industry operators on many of the criteria, TSA was resolute in using PHMSA definitions and programs in selecting facility criticality criteria despite explanations by industry operators of potential non-alignment between physical security and pipeline safety. Such non-alignment causes an operator to have to decide between compliance with one area of the law at the expense of non-compliance with another. PHMSA is strongly urged to review the impact of those particular criteria where operators are required to choose between complying with pipeline safety regulations, complying with pipeline security requirements, or complying with local ordinances.

The Associations Support the Provisions Within the PIPES Act of 2020

As stated previously, the Associations support the provisions within the PIPES Act of 2020 and believe they play a key role in enhancing the safety of the existing pipeline network. This collaborative process utilized by Congress to create the PIPES Act of 2020 has produced reasonable provisions that should improve pipeline safety, advance R&D, and provide PHMSA and state regulators with additional resources to become even more effective regulators.

Industry has already begun to voluntarily implement certain provisions in the PIPES Act of 2020. As an example, following the tragic Merrimack Valley incident, the industry took quick action to gather and share practices to prevent a similar tragic incident from occurring. Industry did not wait for legislation or new regulations to implement changes that were needed and was proactive in making changes that could prevent a future incident on a low-pressure distribution system. This includes the review and updating, as necessary, of DIMP plan risk models, modifying their low pressure regulator station overpressure protection design criteria, process safety assessments, and continuing to strengthen management of change processes and adoption of Pipeline Safety Management Systems (PSMS).

The Associations are supportive of the proposed provisions within the PIPES Act of 2020 and will continue to move towards our collective goal of zero incidents.

Respectfully submitted,
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