Interstate Natural Gas Association of America

May 17, 2013

Environmental Protection Agency
EPA Docket Center (EPA/DC)
Mailcode 6102T
Attention: Docket ID No. EPA-HQ-OAR-2012-0934
1200 Pennsylvania Avenue, NW
Washington, D.C. 20004

Re: Docket ID No. EPA-HQ-OAR-2012-0934 – Comments Regarding the Proposed Rule, 2013 Revisions to the Greenhouse Gas Reporting Rule and Proposed Confidentiality Determinations for New or Substantially Revised Data Elements, dated April 2, 2013 (78 FR 19802)

Dear Docket Clerk:

The Interstate Natural Gas Association of America (INGAA), a trade association of the interstate natural gas pipeline industry, respectfully submits these comments regarding the Proposed Rule, 2013 Revisions to the Greenhouse Gas Reporting Rule and Proposed Confidentiality Determinations for New or Substantially Revised Data Elements (Proposed Rule), dated April 2, 2013 (78 FR 19802 to 19877). The Proposed Rule includes revisions to the global warming potential (GWP) of greenhouse gases (GHGs) included in the GHG mandatory reporting rule (MRR). The Proposed Rule also includes other GHG MRR revisions, and INGAA's comments are specific to proposed revisions to GWP values published in Table A-1, as well as a comment on minor revisions to Subpart C, Table C-1.

INGAA member companies transport more than 85 percent of the nation's natural gas, through some 190,000 miles of interstate natural gas pipelines. INGAA member companies operate over 6,000 stationary natural gas-fired spark ignition IC engines and 1,000 stationary natural gas-fired combustion turbines, which are installed at compressor stations along the pipelines to transport natural gas to residential, commercial, industrial and electric utility customers. Many natural gas transmission and storage (T&S) facilities are subject to the MRR under Subpart C, "General Stationary Fuel Combustion Sources" and Subpart W, "Petroleum and Natural Gas System." Methane emissions reported under Subpart W would be affected by the proposed GWP revisions.

As discussed in comments below, INGAA supports revisions to the GWP for methane and N_2O published in Table A-1 of the GHG MRR. INGAA also supports EPA's "Option 2" proposal to update previous annual reports values when GWP has changed. However, reporters should be allowed to comment on the revised values through a simple process implemented through e-GGRT.

The INGAA comments follow.

INGAA Comments:

1. INGAA Supports Revisions to Table A-1 Global Warming Potentials Based on Current Best Science from the IPCC Fourth Assessment Report.

A primary purpose of the Proposed Rule is to update GWP values in Subpart A, Table A-1. For INGAA members, this affects reporting of methane and N_2O emissions for natural gas transmission and storage facilities. INGAA understands that EPA is proposing GWP revisions based on the current understanding of best science and for consistency with the national inventory annually prepared by EPA.

INGAA supports the proposed revisions, which would increase the methane GWP to 25 and decrease the N_2O GWP to 298. As reporting regimes are updated, the timing is appropriate to revise the current Table A-1 values, which are from the Intergovernmental Panel on Climate Change (IPCC) First Assessment Report (FAR), to more recent values published in the IPCC Fourth Assessment Report (AR4). Although IPCC reports and EPA documents discuss other time horizons for assessing GWP, INGAA strongly supports retaining a one hundred year time horizon as the standard for defining GWP values. Shorter or longer time horizons should not be considered as the standard for the GHG MRR or other EPA programs. Although INGAA supports this change, EPA should strive to retain AR4 GWP values in future years rather than resorting to ongoing GWP revisions that would require recalculation of GHG inventories.

For INGAA members, N_2O emissions are not significant. The methane GWP revision increases calculated methane CO_2e emissions by nineteen percent. INGAA notes that while this revision warrants recalculation of reported emissions from previous years (i.e., 2010 – 2012), this change is similar in magnitude to other uncertainties inherent to GHG reporting under the GHG MRR.

2. INGAA Supports EPA's Plans to Revise Emissions in 2010 – 2012 Annual Reports. However, Reporters Must Be Able to Comment on the Revised Values.

In the Proposed Rule preamble [78 FR 19834], EPA requests comments on the preferred option for updating annual reports using revised GWPs for reporting years 2010, 2011, and 2012. "Option 1" would require reporters to resubmit prior years' reports using the revised GWPs. For "Option 2":

> "The EPA would independently recalculate revised CO_2e emissions from the 2010, 2011, and 2012 reporting year emissions or supply for each facility using the revised GWPs in Table A–1. Under this scenario, through e-GGRT, each reporter would be able to see the EPA's revision of its emission or supply totals in previously submitted 2010, 2011, and 2012 reports before that information is publically available." [78 FR 19834]

The preamble also indicates that emissions would be recalculated for each facility and that EPA prefers Option 2, where EPA updates calculations for previous reporting years.

INGAA supports Option 2 and agrees that EPA recalculation of the previous inventories (i.e., Option 2) is the preferred approach. However, INGAA strongly opposes the preamble stipulation that, "although the reporter would be able to view the estimate, the reporter would not be able to comment on or change the revised estimate."

It is unreasonable to preclude comments from reporters if EPA recalculations show an obvious error. INGAA agrees that updating previously reported inventories to address GWP revisions is a straightforward calculation. However, mistakes happen and reporters should be able to ensure that emissions attributed to their facilities are not erroneous. It is imperative that reporters have the opportunity to review revised CO_2e emissions calculated by EPA. Communications between EPA and reporters can be conducted through e-GGRT, and it is reasonable to limit the types of comments that reporters provide, such as comments that identify calculation errors.

EPA recalculation should lessen the burden for EPA (to review reports) and reporters (to revise reports), and INGAA agrees that reporter re-certification of previous reports would be burdensome and is not necessary. However, if errors occur in EPA recalculations and reporters cannot comment, significant burden could result due to an erroneous public record for an affected facility. The preamble implies that there may be complications with recalculation for one subpart (i.e., Fluorinate Gas Production in Subpart L), but any concerns regarding a select industry should not limit the ability of reporters to comment on emissions attributed to their facilities. While INGAA supports EPA recalculation of previous annual emissions according to Option 2, INGAA strongly supports the right of reporters to review and comment on the revisions.

EPA revisions to 2010 to 2012 reports should supplement the previous company reports and reporters should not be obligated to recertify previous submittals, but allowed to comment if errors are evident. As a supplement to Option 2 and implemented as an option at the reporter's discretion, EPA could allow reporters to revise their previous submittals. EPA notes that reporters would be able to review revisions through e-GGRT, and that tool could be used to address all necessary communications associated with revisions to previous annual reports.

3. EPA Should Define and Implement a Simple Process Using e-GGRT Notices and Messages to Inform Reporters of Revisions to Previous Year's Reported Values and Log Reporter Comments Regarding Errors.

The preamble notes that EPA revisions to reports from previous years (i.e., "Option 2") would be communicated to reporters prior to public release via e-GGRT. INGAA supports using e-GGRT for communication. However, as noted in Comment 2, in some cases reporter review of the information could identify an obvious error, and reporters should be able to comment on the values revised by EPA. INGAA recommends implementing a simple process for two-way communication between EPA and reporters through e-GGRT. This process should be defined and discussed in the final rule and allow reporters to comment on EPA revisions.

4. INGAA Supports EPA's Plan to Defer Reporting until the 2014 Reporting Year for Facilities that Become Subject to Reporting Due to GWP Increases.

EPA plans to publish a final rule that implements GWP revisions in 2013, and concluded it is feasible for *existing* reporters to implement the proposed GWP revisions for the 2013 reporting year (March 31, 2014 reporting deadline). EPA also understands that revisions that increase a GHG's GWP will result in a new reporting requirement for some facilities that are currently below the 25,000 metric tons CO_2e reporting threshold, but would exceed the threshold due to the proposed increase in GWP (e.g., methane GWP for T&S facilities). These newly affected facilities, which are referred to as "new reporters" in the preamble, would not be required develop a 2013 inventory – i.e., only future reporting is required. The Proposed Rule would

apply to new reporters on January 1, 2014, with an initial report deadline of March 31, 2015 for the 2014 reporting year.

INGAA agrees that GWP revisions will result in some newly subject facilities – e.g., due to the 19% increase in methane GWP. INGAA supports EPA's decision to not require reporting for new reporters for the 2013 reporting year. As noted in the preamble, it is not feasible for these facilities to collect data, complete measurements, and develop a report for reporting year 2013. Due to implementation logistics for data gathering and facility measurements, it is imperative that newly subject facilities not be subject to 2013 reporting. INGAA also supports the provision that allows new reporters to use best available monitoring methods (BAMM) for the first three months of 2014. However, as discussed in Comment 5, there are other concerns regarding access to BAMM.

In addition, assuming that the amendments are finalized in 2013, INGAA agrees that it is feasible for existing reporters in the transmission and storage (T&S) segments to use updated GWPs for the 2013 report due in March 2014.

5. For New Reporters, EPA Should Provide Additional Flexibility and Clarity Regarding the Use of BAMM. The Proposed Subpart A BAMM Provisions Should Provide Necessary Flexibility and Be Clarified to Avoid Conflict with Subpart W BAMM Criteria.

Under §93.3(l)(1), new reporters are allowed to use BAMM for the first three months of 2014, and §93.3(l)(2) allows reporters to request BAMM beyond March 31, 2014. However, §93.3(l)(2)(iii) indicates that BAMM under this subsection will not be approved beyond December 31, 2014. In addition, the criteria in §93.3(l)(2)(ii) associated with a BAMM request are modeled after previous Subpart A sections and focus on the inability to install a monitor, thus failing to address other viable reasons for BAMM. For example, §93.236(f)(8) of Subpart W identifies other issues, such as safety, that may warrant the use of BAMM.

Several BAMM related issues should be addressed in the Proposed Rule:

- §93.3(l) should provide additional flexibility for use of BAMM;
- EPA should ensure that BAMM is accessible beyond 2014;
- EPA should ensure that §93.3(l) criteria do not conflict with or supersede Subpart W BAMM provisions; and,
- If BAMM provisions in both Subpart A and Subpart W apply, EPA should clarify and harmonize requirements and schedules under the two subparts, especially for the first and second reporting years for new reporters.

As EPA is aware, INGAA members subject to Subpart W reporting have relied on Subpart W BAMM provisions to remedy unique or unusual circumstances and rule implementation complications during the initial reporting years. For example, BAMM has been used to address safety issues associated with select compressor vent measurements, and has provided a means to address rule interpretation gaps, measurement method flexibility, and technical deficiencies as Subpart W has undergone numerous revisions since it was adopted in November 2010.

In addition, Subpart W revisions to date have not addressed substantive remaining issues – e.g., associated with compressor vent measurement, and associated emission calculations and data roll-up. While the BAMM section of Subpart W notes that, "EPA does not anticipate a need for best available monitoring methods beyond 2011," EPA has accepted that Subpart W BAMM has been necessary in subsequent years. Similar to the experience with Subpart W – and EPA's preconceived notion that BAMM would not be needed after 2011 – the §93.3(l)(2) limitation on BAMM beyond 2014 could prove to be short-sighted as new facilities address reporting challenges (e.g., safe access for measurements) for the first time.

Additionally, it is not clear how BAMM criteria in §93.3(l)(2) comport with Subpart W BAMM. EPA should not limit BAMM to a single year, and should clarify the BAMM process under the Proposed Rule versus BAMM access under Subpart W. This clarification should address BAMM request criteria, ongoing requests beyond the initial reporting year, and the schedule for BAMM submittals.

The proposed BAMM provisions in §93.3(l) could be interpreted as more limiting than BAMM provisions in Subpart W, and could be viewed as a limitation on newly affected facilities. In addition, schedules and documentation required are unclear for the two separate BAMM sections. For example, as explained by EPA in its Subpart W BAMM Fact Sheet, the process includes an option to submit a "notice of intent" by the BAMM deadline and the opportunity to submit BAMM requests after the deadline if unforeseen situations arise. The May 1, 2013 Subpart W revision to the BAMM request deadline [78 FR 28392-28396] is further evidence that BAMM access beyond the initial reporting year is imperative.

INGAA has strongly advocated for BAMM access since Subpart W was proposed, because T&S sources require annual measurement and surveys. Other EPA regulations (e.g., NSPS, NESHAP, etc.) provide mechanisms to pursue alternatives (e.g., alternative methods, alternative standards, alternative monitoring), typically in the General Provisions. However, the GHG MRR does not provide such flexibility other than through use of BAMM. Thus, especially where measurement is mandatory, access to BAMM is a necessity. A substantive record of INGAA comments and communications with EPA further expounds this issue.

It is possible that §93.3(l)(2) is intended to fill a gap related to new reporters and not compromise any Subpart W provisions. However, first year schedules and the possibility of "late" BAMM requests (according to Subpart W criteria) could still be an issue in this case, and clarification is needed. EPA should ensure flexibility for reporters to use BAMM when warranted and clarify applicability, BAMM accessibility, and schedules for §93.3(l)(2) versus §93.236(f) BAMM requests. Clarifications or harmonization are especially important for the first year (2014 reporting year) and second year (2015 reporting year) for new reporters.

6. EPA Should Not Revise Table C-1 Heating Value and Emission Factor Values for Natural Gas. The Proposed Changes are Trivial and EPA Should Establish Data Quality Goals so that Immaterial Revisions are Not Introduced.

The Proposed Rule would revise the high heating value (HHV) and CO_2 emission factor (EF) for natural gas combustion in Table C-1. The heating value would be revised from 1028 to 1026 Btu/scf and the EF would be revised from 53.02 to 53.06 kg CO_2/MMBtu. For natural gas combustion calculations using Subpart C Tier 1 or Tier 2, both of these defaults are used – i.e.,

the equation includes HHV x EF. The proposed revisions are minor for both default values and the calculation (HHV x EF) results in a trivial change in the calculated CO_2 emissions of approximately 0.1%.

INGAA reviewed the contractor memo to EPA that recommended revisions (docket document number EPA-HQ-OAR-2012-0934-0021), and INGAA questions the need for such immaterial revisions. For example, it appears the natural gas CO_2 EF revision is due to rounding associated with the number of significant figures used for the ratio of molecular weights of CO_2 and carbon (44/12 versus 44.01/12.01).

EPA should reconsider the need to introduce such minor calculation revisions into the GHG MRR, and EPA should develop data quality objectives that establish a basis for creating such revisions. Since reporters have developed systems and processes for developing reports, it is important for EPA to understand that *any* change to the GHG MRR introduces burden for the reporter. Inconsequential revisions (e.g., changing an estimate by 0.1%) should not be introduced unless there is a compelling technical reason.

In addition, it is not clear how this revision would impact previous submittals – and how EPA judges whether revisions to default / required values (e.g., revisions to GWP or default fuel properties) warrant revision to previously submitted reports. Comments above discuss the proposed approach to update previous annual inventories due to GWP revisions. The implications for revising Subpart C, Table C-1 properties that impact combustion emission calculations are not clear. It is also unclear how EPA determines whether such revisions warrant a look back and update to emission values for previous annual reports. EPA needs to clearly define and communicate criteria that define when a change in a calculated emission is material and warrants revisions to current or prior inventories.

This proposed revision to natural gas default values in Table C-1 identifies basic "systems" issues that should be addressed, including: data quality objectives that define whether revisions are warranted when immaterial (e.g., 0.1%) differences are identified; the basis for deciding when revisions to standard properties or default values warrant a revision that would affect *future* reports; and, the basis for deciding when revisions warrant a recalculation of reported annual GHG emissions for *previous* years. Reviews and changes to calculation methods, equations, and constants should be conducted on a defined schedule to avoid frequent and unnecessary revisions to reporter systems and associated inventories. INGAA recommends that Table C-1 natural gas properties should not be revised because the implications are immaterial.

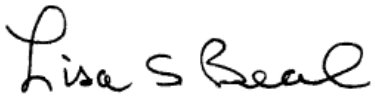
7, The rule should clearly indicate that GWP revisions only apply prospectively for applicability and permitting determinations associated with PSD and Title V permitting.

The Proposed Rule indicates that amending Table A-1 affects emissions reported under the PSD and Title V permitting programs [78 FR 19808]. The preamble states that for sources assessing applicability under the PSD or Title V permitting program, the proposed changes to the GWP Table A-1 values could affect the CO_2e emissions from sources subject to PSD and Title V permits under the Tailoring Rule. Changes in the GWP should not be retroactively applied to applicability determination for PSD review or Title V operating permits that were submitted and deemed administratively complete prior to the effective date of this rule. Compliance under

existing permits should be evaluated based upon the GWP that was used to determine CO_2e emissions levels in those existing permits. In the final rule, EPA should clearly explain application of revised GWPs for PSD and Title V permitting consistent with these principles.

INGAA appreciates your consideration of these comments. Please contact me at 202-216-5935 or lbeal@ingaa.org if you have any questions. Thank you.

Sincerely,



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