



Interstate Natural Gas Association of America

September 22, 2014

Mr. Roger Fernandez
U.S. Environmental Protection Agency
William Jefferson Clinton Building
1200 Pennsylvania Avenue, N. W.
Mail Code: 6207J
Washington, DC 20460

Re: INGAA Feedback on the Proposed Natural Gas STAR Gold Program

Dear Mr. Fernandez:

The Interstate Natural Gas Association of America (INGAA), a trade association of the interstate natural gas pipeline industry, respectfully submits feedback on the U.S. Environmental Protection Agency (EPA)'s proposed Natural Gas STAR Gold Program (STAR Gold Program). In May 2014, EPA released background documents and a Proposed Framework¹ for the program. This letter provides INGAA's initial feedback, with a focus on the emission reduction protocols. INGAA welcomes additional discussion.

INGAA members account for virtually all of the major interstate natural gas transmission pipelines in North America and operate about 200,000 miles of transmission pipe in the U.S. INGAA member companies operate over 6,000 stationary natural gas-fired spark ignition reciprocating internal combustion engines and over 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.

As you are aware, many INGAA members have participated in the Natural Gas STAR program since its inception in 1993. INGAA and its members have worked with EPA on greenhouse gas (GHG) projects dating back to the Gas Research Institute (GRI) project with EPA in the early 1990s that estimated methane emissions from natural gas systems. The GRI-EPA Reports² remain a seminal reference for GHG estimates for natural gas operations two decades after its completion. Over the past five years, INGAA has worked with EPA on the Greenhouse Gas Reporting Program (GHGRP)³ and the Subpart W rulemakings in an effort to improve natural gas transmission and storage (T&S) national inventories and emission estimates. INGAA and its members have demonstrated their commitment and cooperation in improving GHG emission inventories and reducing methane emissions.

The goal of the STAR Gold Program should be to recognize facility and company achievements in voluntarily reducing methane emissions. INGAA supports the general objective of the STAR Gold Program to reward companies that achieve voluntary methane reductions from primary GHG sources.

¹ *Gas STAR Gold Program: Proposed Framework*, U.S. EPA, May 8, 2014.

² *Methane Emissions from the Natural Gas Industry; Volumes 1-15*, GRI and EPA, June 1996.

³ 40 CFR Part 98.

However, INGAA has significant concerns with the STAR Gold Program, as currently proposed. The STAR Gold Program's Proposed Framework includes emission reduction practices that are inconsistent with past efforts and are not common or cost-effective for T&S operations. INGAA welcomes a program that builds upon the lessons learned over the last two decades regarding the primary T&S GHG sources and best practices for reducing emissions. INGAA cannot support the STAR Gold Program unless it includes the demonstrated and established methods that achieve reductions from primary T&S methane emission sources. INGAA's specific concerns are as follows:

(1) The Proposed Framework does not rely on established and proven methods from the EPA STAR program.

The Natural Gas STAR Program has identified Directed Inspection and Maintenance (DI&M) and pipeline pump down techniques as the two largest contributors to methane reductions from T&S segments. INGAA supports implementing these practices, when appropriate, because they address important emission sources. However, the Proposed Framework of the STAR Gold Program does not include these proven practices. Instead, the Proposed Framework emphasizes emission reduction practices that are uncommon for T&S operations. Specifically, EPA proposes vapor recovery systems and flaring for all sectors. EPA erroneously labels these practices as "readily available, cost effective technologies". However, vapor recovery systems and flares are rarely used in T&S operations and therefore not readily available. In addition, these practices are not cost-effective for the T&S sector because their sole purpose would be to recover methane and the value of recovered gas is dependent on having a market outlet for the recovered gas. Pipelines do not own the gas they transport and opportunities to use recovered gas are limited.

As evident in the existing record, practices such as DI&M and pipeline pump down to limit maintenance related venting can result in significant reductions. The STAR Gold program should incorporate these practices and permit implementation of similar best management practices that are cost effective and applicable to the source and industry segment. To that end, the STAR Gold program should reward companies for implementation of applicable technologies and practices that achieve significant methane emission reductions, rather than prescribing a suite of technologies and practices that must all be implemented to qualify under the program.

(2) EPA's Proposed Framework is ineffective since it applies the same approaches across all sectors.

EPA lists 17 protocols in its Proposed Framework and finds 13 of the 17 applicable to transmission operations and 12 applicable to storage operations. The information is generic and does not consider differences across industry segments, such as the prevalence of vapor recovery. It is inappropriate to assume that technologies applicable to one segment are appropriate and cost effective for another segment. For example, unlike other segments, vapor recovery and flaring of vented emissions may create safety issues at T&S facilities. Although EPA acknowledges that safety concerns could support an exemption to a protocol, EPA implies that the priority is to recover all vented emissions. It is unlikely that many T&S companies will participate in the STAR Gold Program because of the requirement to implement almost all of the applicable protocols.

(3) The STAR Gold Program should recognize that the vast majority of methane emissions come from a small number of sources. EPA attempts to address all sources, regardless of their contribution to methane emissions. It is a generally accepted principle that 20 percent of the sources

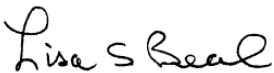
contribute 80 percent of the emissions (typically referred to as the “80/20” rule). A cost-effective STAR Gold program should follow this approach rather than including smaller sources with little contribution to the emission inventory in its Proposed Framework. EPA’s approach is ineffective in achieving environmental or economic objectives because too much attention to trivial sources may compromise other environmental and efficiency programs.

INGAA supports a program with reasonable, established emissions reduction best management practices that ensure significant reductions, while providing flexibility that is phased in over multiple years. INGAA believes the existing STAR program and the scientific record provides a basis to select best management practices that are proven and typically cost effective for each segment. EPA should consider including established practices in its STAR Gold Program, rather than applying technologies that are not prevalent or appropriate for the sector (e.g., vapor recovery and flaring at compressor stations).

It is imperative that the STAR Gold Program, a voluntary program, include implementation flexibility rather than mandatory conformance with a list of one-size-fits-all reduction protocols. To improve the likelihood of program success and participation levels while also realizing significant methane reductions, the STAR Gold Program should include flexibility regarding the practices that are implemented, and include reasonable implementation schedules that are phased in across a pipeline system over multiple years. A long term goal could target the proposed objective of achieving “platinum” status by implementing reductions at 95% of facilities, but should also include interim milestones with a longer term goal (e.g., 4 years) for implementation at nearly all facilities.

INGAA welcomes additional dialogue with EPA on these issues to develop a program with reasonable, technically proven, cost-effective emission reduction strategies. Please contact me at 202-216-5935 or lbeal@ingaa.org if you have any questions. Thank you.

Sincerely,



Lisa Beal

Vice President, Environment and Construction Policy
Interstate Natural Gas Association of America

cc by email: Paul Gunning, US EPA
Jerome Blackman, US EPA