



January 18, 2024

The Honorable Jeff Duncan
Chairman
Energy Subcommittee on Energy, Climate, and Grid Security
United States House of Representatives
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Diana DeGette
Ranking Member
Energy Subcommittee on Energy, Climate, and Grid Security
United States House of Representatives
2125 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Duncan and Ranking Member DeGette,

I am writing to offer the views of the Interstate Natural Gas Association of America (INGAA) on the Pipeline Safety, Modernization, and Expansion Act of 2023, which would reauthorize the Office of Pipeline Safety for five years within the Pipeline and Hazardous Materials Safety Administration (PHMSA).

INGAA is a trade association representing the interstate natural gas pipeline and storage industry. Our members transport the vast majority of the natural gas consumed in the United States through a network of approximately 200,000 miles of interstate transmission pipelines. These large capacity, critical infrastructure systems are analogous to the interstate highway system and span multiple states or regions. Our industry delivers natural gas to end users such as local distribution companies, electricity generators, industrial manufacturers, and LNG export facilities.

For more than a decade, the shale revolution has gifted our country with abundant natural gas supplies, which has elevated the need for additional infrastructure to move gas around the country. Pipelines make it possible to deliver North America's abundant natural gas reserves to fuel our homes, businesses, and the American economy, and are the safest and most efficient way to transport this critical energy source.

INGAA's members deliver clean, abundant, affordable natural gas throughout North America. As demand for energy increases, expanded use of natural gas has helped improve air quality across the country by offsetting the use of higher carbon-intensive fuels. According to the Energy Information Administration, between 2005 – 2019, carbon dioxide emissions from the U.S power sector declined by 33 percent, with natural gas accounting for more than half of those reductions. We are committed to modernizing our nation's interstate natural gas delivery network infrastructure, lowering emissions from our operations, and mitigating the impacts of

climate change by working together as an industry towards achieving net-zero greenhouse gas (GHG) emissions by 2050.

The INGAA membership is committed to transporting natural gas in a safe, reliable, and environmentally responsible manner. Our industry has a long history of supporting Congress' enactment of bipartisan pipeline safety reauthorization measures that helped improve the safe operation and maintenance of critical energy infrastructure. We applaud the Subcommittee's interest in advancing legislation to enhance the safety of our nation's pipeline network. As the Subcommittee begins considering this measure, we request it be advanced through a bipartisan process as we believe that is the best way to ensure pipeline safety reauthorization legislation becomes law. I also ask that you consider the following six key issues of importance to the natural gas transmission pipeline industry.

1. INGAA's number one priority is safety, and we support having a strong safety regulator.

The U.S. Department of Transportation, PHMSA, other regulators, and industry experts have agreed for decades that pipelines are the safest mode of energy transportation. Accidents are rare, and INGAA's members are committed to constantly improving with a goal of zero pipeline incidents.

INGAA fundamentally believes in having a strong safety regulator. We support robust, durable regulations led by PHMSA, our primary safety regulator, to ensure that all operators are held accountable for operating their systems in the safest manner possible. Therefore, we take our commitment to safety seriously and appreciate the role that PHMSA plays to ensure that industry maintains its focus, and the public is confident in the safety and reliability of natural gas pipelines.

Pipeline companies consider safety every step of the way, from planning, to construction, and maintenance. Our members purchase top-quality materials, address any potential safety or security issues during the pipeline planning and citing processes, and conduct consistent quality and safety checks throughout the construction process. Once operational, pipeline companies work to prevent releases by evaluating, inspecting, and maintaining pipelines.

As part of ongoing safety efforts, pipeline companies conduct integrity management and continuous improvement programs in evaluation, inspection, and maintenance. A critical component of integrity management programs is the use of in-line inspection (ILI) tools, sometimes called "smart pigs." Operators run these tools to detect any potentially harmful defects in pipelines. These modern methods of pipe inspection have improved greatly over the last 30 years and are more effective, efficient, and environmentally sound compared to other assessment methods, with the added benefit of not significantly interrupting pipeline operations.

INGAA's commitment to safety has been an essential priority for years. After the unfortunate and tragic incident in San Bruno, California, in 2010, our member companies worked proactively to improve the industry's safety performance. This effort developed a set of guiding principles for pipeline safety, anchored around a goal of zero pipeline incidents, titled the "Integrity Management, Continuous Improvement" (IMCI) program. Since its inception, industry has

made rapid advances in safety technology and practices in continuous pursuit of achieving this goal.

We recently updated the IMCI program to ensure the reliability and resiliency of our infrastructure as work continues to safely support the energy transition and evolve to a net-zero GHG economy. In addition, we are focused on advancing safety from newer technologies that will hopefully become more widespread throughout the industry and by regulators. This updated effort, titled IMCI 2.0 was created with the input of PHMSA, the National Transportation Safety Board, the National Association of Regulatory Utility Commissioners, the National Association of Pipeline Safety Representatives, and the Pipeline Safety Trust. The IMCI effort follows five guiding principles:

- Our goal is zero incidents;
- We are committed to a strong safety culture;
- We will be relentless in our pursuit of improving by learning;
- We are committed to implementing and continuously improving pipeline safety management systems; and
- We will regularly engage our stakeholders.

INGAA's work on the IMCI 2.0 program was recently completed and we plan to share the results with key stakeholders later this year.

2. PHMSA should complete its work on the class location rulemaking and issue a final rule.

INGAA's top regulatory priority with PHMSA is completion of the class location rulemaking, which presents opportunities to increase safety and protect the environment. The class location change regulations have not been substantively updated in more than 50 years and revising them has been an INGAA goal for more than two decades. We were pleased that PHMSA issued a Notice of Proposed Rulemaking (NPRM) on the class location rule in October 2020. Industry was also greatly appreciative that Congress included a provision in the enacted 2020 PIPES Act that required the agency to hold a Gas Pipeline Advisory Committee (GPAC) meeting to review the NPRM by the end of 2021.

This proposed rulemaking would address scenarios where population changes around our pipelines necessitate changes to existing pipeline infrastructure. When a class location change occurs, the current regulations may require operators to replace the existing pipe even when an engineering assessment, including modern inspection tools, has shown it to be in safe, operational condition. The advancements in ILI tools and other safety technologies help enhance company decision making to make repairs and, in many cases, lessen the need for disruptive pipe replacements.

This causes two main problems. When PHMSA requires operators to replace pipes, operators must ensure that gas is absent from the pipe to be replaced, which results in service disruptions and emissions being released to the atmosphere. Secondly, INGAA estimates that the existing

requirements cost its members \$200-\$300 million per year to unnecessarily replace perfectly safe pipe. These funds could be better used to address other aspects of our safety systems.

INGAA also estimates 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 annually. To quantify, this gas could meet the needs of over 10,000 homes for a year and would equate to the same GHG reduction benefit of removing 80,000 cars from the road. The optimal way for the pipeline industry to further reduce methane emissions is to decrease the number of “blow downs” or voluntary releases of gas. Finalizing the rulemaking would substantially lower methane emissions by eliminating these unnecessary gas releases.

In place of a class location pipeline replacement change, INGAA members have submitted special permit applications to prove the safety of their pipes. However, these applications are burdensome to not only the pipeline sector, but also to PHMSA. Problems include the regularity of the changing process and that it can take up to three years to approve a single permit. Finalizing this rule will provide regulatory certainty and consistency for industry stakeholders and the regulator.

PHMSA is planning on holding a class location GPAC meeting in March, pending completion of the Leak Detection and Repair GPAC meeting. INGAA is hopeful that PHMSA will complete the class location GPAC meeting in March and issue this crucial rule to improve safety and meet the collective goal of industry and the Biden administration to lower GHG emissions as soon as possible. Furthermore, INGAA supports Congress mandating PHMSA to complete this rulemaking within 90 days after date of enactment of this year’s pipeline safety reauthorization legislation.

3. The Gas Pipeline Advisory Committee (GPAC) strengthens rulemakings and should meet more frequently.

The GPAC is an advisory committee to the Department of Transportation and PHMSA on matters of natural gas pipeline safety and regulatory oversight. The GPAC is comprised of 15 members, with equal representation from the natural gas industry, federal and state agencies, and the public (such as safety advocates and academic experts). GPAC’s stated role is to review PHMSA’s proposed regulatory initiatives to ensure the technical feasibility, reasonableness, cost-effectiveness, and practicability of each proposal. PHMSA is not bound by GPAC recommendations but must include its rationale for disagreeing with them in the preamble text of final rules. These processes are required by statute.

GPAC can play an important role in achieving our collective objective to enhance gas pipeline safety regulations. The time needed to complete a rulemaking is affected partially by the quantity and quality of dialogue with impacted stakeholders. Their dialogue is especially important when rulemakings are complex and technical, including matters relating to pipeline safety regulation. New rules should leverage stakeholder knowledge and expertise to facilitate the deployment of new technologies and practices that are more effective and efficient, and less disruptive than the legacy methods that may be reflected in existing regulations.

Until recently, GPAC met regularly to consider important rules and discuss important safety advancements. Since January 2021, however, the GPAC has only convened twice. With the known benefits of GPAC, INGAA believes that Congress should consider requiring PHMSA to hold at least two GPAC meetings per year.

In addition, PHMSA has chosen to disagree with several unanimous GPAC recommendations to multiple recent important final rules. While INGAA does not challenge PHMSA's independence to render these decisions, we believe that Congress can strengthen transparency by receiving reports from PHMSA on their rationales for these conclusions after issuing final rules.

INGAA appreciates your Committee's inclusion of a provision accomplishing this goal in Section 5 of the discussion draft legislation (Pipeline Safety, Modernization, and Expansion Act). We would appreciate the opportunity to work with the Committee to further strengthen this provision.

4. Congress should include a provision requiring PHMSA to address a regulatory error affecting Maximum Allowable Operating Pressure (MAOP).

In Section 23 of the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011, Congress required PHMSA to, "...issue regulations for conducting tests to confirm the material strength of previously untested natural gas transmission pipelines..." PHMSA completed this congressional mandate on October 1, 2019, issuing the gas transmission rule part 1. This rule governs testing and record keeping requirements for the maximum allowable operating pressure (MAOP), which governs the maximum amount of natural gas that can move safely through a natural gas pipeline.

While INGAA supported the final rule, unfortunately there are two provisions within this regulation that need to be addressed regarding record keeping requirements for pre-1970 pipeline tests.

PHMSA recently issued guidance that conflicts with the 2011 statute and would require pipeline operators to retest pre-1970 safe pipelines if modern-day recordkeeping standards are not met. This is flawed for several reasons, namely because it conflicts with other parts of PHMSA's existing code. Furthermore, the inconsistent regulatory provisions can currently be enforced by state regulators and will also be enforced by PHMSA soon.

Without a legislative or regulatory fix, INGAA members would be forced to retest previously tested pipelines, at no added safety benefit. This will cause disruptions to communities, the unnecessary venting of gas, and cost the industry billions of dollars which could be better deployed advancing actual safety measures.

Language to statutorily address this issue was included in the manager's amendment of H.R. 6494, the Pipeline Efficiency and Safety (PIPES) Act of 2023. We respectfully request this Committee incorporate that language into this legislation.

Specifically, the language would temporarily bar PHMSA from requiring INGAA members to

retest previously tested pipelines with documented records showing a sufficient minimum pressure until a working group report and rulemaking proceeding is completed. The PIPES Act of 2023 provision would also create a working group comprised of PHMSA, state pipeline regulators, public members, and industry stakeholders to write a report to help provide guidance on adequate recordkeeping. Following enactment of this measure, the working group would be required to complete its work and issue the report within six months to inform PHMSA rulemaking proceedings. Lastly, it would mandate PHMSA to issue a regulatory fix based on the working group report within six months after the report is issued.

The text mentioned above is critical to preventing needless disruption to our nation's natural gas pipeline system.

5. Fuel choice for consumers should be protected.

INGAA supports Section 9 of the Pipeline Safety, Modernization, and Expansion Act of 2023, which would prohibit states or municipalities from banning the transportation of an energy source, including natural gas, sold through interstate commerce using a pipeline facility regulated by PHMSA.

In recent years, many localities have enacted prohibitions or considered curtailing the usage of natural gas in new and existing buildings. INGAA is opposed to broadly implementing such measures. Natural gas is the cleanest burning fossil fuel and, as demand for energy increases, its expanded use has helped improve air quality across the country by offsetting the use of higher carbon-intensive fuels. The consequences of these policies that prohibit access to affordable natural gas jeopardize those who can least afford it. Not only would there be significant costs for new appliances, wiring upgrades and potential remodeling, but also eliminating consumer fuel choices would lead to higher monthly energy bills for home heating. Banning natural gas usage runs counter to our nation's goal of reducing GHGs and mitigating the impacts of climate change and prevents the United States from achieving a clean reliable, secure, and affordable energy future.

To address this problem, Section 9 of the Committee's discussion draft would ensure that the availability of natural gas as a fuel source is preserved, and we commend its inclusion in the proposal.

6. Congress should enact energy infrastructure permitting reforms.

INGAA supports the Subcommittee's leadership on policies that would expedite energy infrastructure permitting under key statutes by establishing clear timelines. Our critical infrastructure systems are fundamental to a reliable, secure, and affordable clean energy future. In addition to being integral to limiting harmful emissions, natural gas also supports the growth of renewable energy by providing reliable, dispatchable fuel and storage that minimizes the risk of power disruptions during times of intermittent load. Therefore, expanding modern natural gas networks is fundamental to safely delivering energy to businesses and consumers while lowering GHGs.

Clear, predictable infrastructure permitting processes remain instrumental to achieving our shared energy, economic, security, and climate-related goals. Unfortunately, the current processes to site and approve new and expanded infrastructure remain cumbersome, often stalling projects for years with duplicative reviews, unnecessarily burdensome approvals, and unending legal challenges. These inefficiencies hamper access to domestic natural gas resources, raising energy costs in certain regions, and, in the worst cases, limiting access to energy and creating reliability issues during periods of extreme weather. These ongoing challenges also continue to discourage private sector investment and undermine the value of taxpayer investments.

Accordingly, Congress should enact the permitting reforms contained in H.R. 1, Lower Energy Costs Act, that would establish, among other things, a CWA Section 401 certification process with a singular review conducted as part of the FERC National Environmental Policy Act (NEPA) analysis in which all affected agencies participate. States would retain their rights to evaluate the proposed project, and FERC and the states would work collaboratively to ensure the proposed project complies with applicable water quality standards.

The Lower Energy Costs Act would also clarify that agencies may only analyze reasonably foreseeable environmental effects causally related to the proposed project, focusing NEPA analyses on feasible alternatives, and establishing agency and judicial review schedules. Additionally, it would streamline CWA certifications and associated scopes of review on federal permits and recognize the export of natural gas as being in the public interest.

To fulfill America's energy, economic, security, and climate-related goals, INGAA stands ready to work in a bipartisan manner to enact durable permitting reforms that enable development of the energy infrastructure to continue delivering the benefits of natural gas to the American people.

Thank you for your attention to these important matters, and INGAA looks forward to working with the Subcommittee to ensure that PHMSA has the resources and direction to continually improve safety in our industry.

Sincerely,

A handwritten signature in blue ink, appearing to read 'A. Andryszak', written in a cursive style.

Amy Andryszak
President & CEO
Interstate Natural Gas Association of America