



March 2015 eBrief Print Version

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GPA Convention online registration deadline

We're less than 4 weeks from the GPA Convention, and more than 2,000 midstream professionals have registered. We are pleased to report that attendance looks strong, as registration numbers are on pace with numbers at this time last year. We will close online registration at 5 p.m. on Friday, April 3. Those not able to register by this date must register on site.

For those who have already registered, please keep an eye on your inbox for important GPA Convention e-mails, which we'll be sending soon.

Visit www.GPAconvention.org for all convention information.

Celebrating the life of Dave Bergman

GPA is saddened to report that Dave Bergman, longtime GPA committee volunteer, passed away on March 1.

Bergman attended both Michigan Technological University and the University of Michigan earning his bachelor of science, master's and doctorate degrees in chemical engineering. In graduate school he had the good fortune to study the prediction of natural gas phase behavior under Donald L. Katz, the distinguished professor after whom the GPA Katz Award is named. After graduation in 1976, he joined Amoco Production Research where he contributed substantial talent and expertise in various areas of fluid properties, including hydrate thermodynamics, heavy ends characterizations, equations of state, and reservoir condition VLE measurement techniques.

Bergman was presented with a Citation for Service Award at the 1994 GPA Convention for his leadership as chair of the Phase Equilibria Steering Committee for nearly 10 years at that time.

Upon presenting the award, then-GPA President Mauricio Salazar described Bergman as "one of those rare individuals that not only understands, but actually enjoys such terms as VLE, fugacities, activity coefficients, and rules of mixing."

We greatly appreciate his contributions to GPA and extend our condolences to his family.

MidContinent GPA recognized by OSUIT as "partner of the year"

MidContinent GPA (MCGPA) was recently honored by the Oklahoma State University Institute of Technology (OSUIT) with an Oklahoma State Regents for Higher Education's Regents Business Partnership Excellence Award. The award highlights successful partnerships between higher education institutions and businesses. MCGPA and OSUIT were recognized among 27 business and higher education partnerships during an awards luncheon on March 11 at the Oklahoma History Museum in Oklahoma City.

GPA, GPSA and OSUIT's partnership helped establish OSUIT's natural gas compression program in 1999 and OSUIT's pipeline integrity program in 2014. GPA and GPSA members also serve on the program's advisory board to help develop the curriculum. MCGPA has generously donated funds from fundraising events for scholarships and program operating cost assistance. Within a one-year period, MCGPA donated \$100,000 to OSUIT programs. Part of that donation included \$25,000 for renovating and equipping a classroom for the new pipeline integrity technology program.

MCGPA, GPSA and GPA have built a strong relationship with OSUIT, creating an impressive return on investment for member companies, which actively seek OSUIT graduates for their hands-on skills and training needed for companies and the industry.

2015 GPA School of Gas Chromatography registration is open

GPA will host its School of Gas Chromatography Aug. 3 - 7 at the University of Tulsa (Oklahoma). In its 42nd year, this intensive one-week school has proven to be one of the best available worldwide. GPA will take up to 100 students this year, and GPA's Analysis and Test Methods Section (Technical Section B) will manage, direct and conduct the school as in past years.

Registration is open and available on a first-come, first-served basis. Those who register by July 11 will save \$100.

Early Bird Registration (by July 11)

\$675 - GPA / GPSA Members

\$975 - Non-Members

Standard Registration (after July 11)

\$775 - GPA / GPSA Members

\$1,075 - Non-Members

For more information and to register, visit www.GPAGlobal.org/education/gas-chromatography-school.

Federal advocacy updates

EPA proposes rule revisions to NSPS Subpart OOOO

Environmental Committee Chair Doug Jordan, Southwestern Energy, recently shared the Environmental Protection Agency's proposed revisions to the recently promulgated NSPS Subpart OOOO 1.5 rule revision with the Environmental Committee. Jordan noted that the revisions relating to "parallel storage tanks" are of specific interest to GPA. The proposed rule revisions were in large part driven by GPA's petition for reconsideration as recognized in an excerpt from the proposed rule revision below:

"With regard to storage vessels, in response to the GPA petition and in light of the considerations discussed above, we are proposing to amend the NSPS provisions relative to storage vessels "installed in parallel" or "connected in parallel." Specifically, we are proposing to amend §60.5365(e) to remove language related to storage vessels "installed in parallel" or "connected in parallel." We are also proposing to amend the definitions of "returned to service" and "storage vessel" in §60.5430 to remove language pertaining to storage vessels connected in parallel."

The proposed rule was signed on March 17 and will be subject to public review and comment for a 30-day period upon posting in the Federal Register. The proposed rule revisions appear to be favorable to GPA members, and GPA is awaiting a response from EPA regarding our request for a stay of the existing rule provisions.

GPA files ozone comments

GPA filed comments last week with the U.S. Environmental Protection Agency (EPA) on its proposed rule for National Ambient Air Quality Standards for Ozone.

On Dec. 17, 2014, EPA proposed stringent new Clean Air Act standards for ozone. Even though the current 2008 standard of 75 parts per billion (ppb) has not been fully implemented, EPA is proposing to lower it to a range between 70 ppb and 65 ppb and also asks for comments on reducing the standard even lower to 60 ppb.

GPA is concerned with the proposed rule because it would unnecessarily duplicate recent state and federal regulations already underway and changes the current ozone standard before it can be fully implemented.

GPA members own and operate facilities in areas that are designated as being in nonattainment for ozone standards, as well as in areas that could be designated nonattainment, so EPA's proposal will have a significant impact on the midstream industry.

An archive of all GPA comments is located within the GPA Knowledge Center:
www.GPAGlobal.org/knowledge-center.

GPA responds to U.S. Fish and Wildlife Service proposed species-specific rule

GPA filed comments with the United States Fish and Wildlife Service (FWS) last week in response to its proposal to create a species-specific rule under the authority of section 4(d) of the Endangered Species Act.

The 4(d) rule provides flexibility for regulators and is used to tailor the take provisions of the Endangered Species Act to apply to those actions most important for conservation of the species and exempt other actions.

GPA members have extensive natural gas and natural gas liquids operations in the Northern Long-Eared Bat habitat area and will be directly impacted from this proposed rule. GPA believes the current 4(d) proposed rule's exemptions are too narrowly focused and should be expanded to include oil and gas activities.

FWS is expected to make a Northern Long-Eared Bat designation announcement on April 2. An archive of all GPA comments is located within the GPA Knowledge Center: www.GPAGlobal.org/knowledge-center.

GPA filed comments with Council of Environmental Quality on proposed NEPA GHG Guidance

This week, GPA submitted comments and signed on to a multi-association group of major trade associations' set of comments for the Council of Environmental Quality's "Draft Guidance for Federal Departments and Agencies Consideration of Greenhouse Gas (GHG) Emissions and the Effects of Climate Change in National Environmental Policy Act Reviews." Consistent with decades of National Environmental Policy Act (NEPA) precedent and practice, it is critical that any guidance addressing the evaluation of GHG emissions under NEPA provide appropriate and necessary limits to ensure that agencies remain focused on the specific proposed action before them.

CEQ must ensure that its guidance to agencies appropriately prohibits them from venturing beyond the scope of what NEPA requires and permits by restricting evaluation of GHG emissions and related climate change effects that are so unrelated, speculative, or remote that they are unable to inform the agency's ultimate decision regarding a specific proposed action. Without such necessary limits in place, addressing GHG emissions has the risk of increasing uncertainty regarding critical government approvals and decisions and dramatically increasing the time and cost of NEPA reviews into a boundless exercise that will overwhelm the agencies, cause unworkable delays to important projects, and lead to legal and litigation burdens for all parties.

An archive of all GPA comments is located within the GPA Knowledge Center:
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MLP qualifying income rulings under section 7704 of the tax code, potential upcoming regulations

An IRS official who spoke at the Federal Bar Association's Tax Law Conference in Washington, D.C., earlier this month said the IRS has ended its year-long moratorium on issuing master limited partnership qualifying income rulings under Section 7704 of the tax code.

The IRS official indicated that workable standards have been developed that will allow work to begin immediately on the letter ruling requests filed during the pause. He also said we can expect proposed regulations to be issued in the near future. This is a major shift since private letter rulings have been what industry has relied upon, which now will be transitioned to regulations.

PHMSA publishes miscellaneous rule amending pipeline safety regulations

The Pipeline and Hazardous Materials Safety Administration (PHMSA) published a Miscellaneous Rule on March 11, amending the pipeline safety regulations to make miscellaneous changes that update and clarify certain regulatory requirements. These amendments address several subject matter areas, including the performance of post-construction inspections, leak surveys of type B onshore gas gathering lines, qualifying plastic pipe joiners, regulation of ethanol, transportation of pipe, filing of offshore pipeline condition reports, and calculation of pressure reductions for hazardous liquid pipeline anomalies. The effective date for the changes is Oct. 1.

State advocacy updates

GPA member companies engaged at state legislatures

During the 2015 legislative session, a number of bills have been introduced in response to duplicative regulations in proposed city and county ordinances. Duplicative, more restrictive bills by municipalities and counties would be costly and would place time restraints on the industry. These bills attempt to streamline the process by providing jurisdiction at the state level.

In New Mexico, two preemption bills sponsored by Representative Gentry (HB366) and Senator Ingle (SB421) were introduced. HB366 would have provided preemption by the state over all matters relating to the conservation, extraction, production, processing, storage and transportation of oil and gas and would have provided exclusive jurisdiction to the New Mexico Oil and Conservation Commission. SB421 would have expressly preempted the authority of New Mexico counties from adopting ordinances to regulate oil and gas activities except for the ability to establish setbacks. Both bills died. New Mexico's legislative session ended March 21.

In Oklahoma, a preemption bill sponsored by Representative Hickman (HB2178), who is also Speaker of the House, passed the House and is now headed to the Senate. The bill provides that municipalities, counties and political subdivisions can enact reasonable ordinances, rules and regulations concerning road use, traffic, noise, and odors incidental to oil and gas operations within its boundaries, provided such ordinances, rules, and regulations are not inconsistent with any regulation established by the Oklahoma Corporation Commission (OCC). The bill also allows municipalities, counties and political subdivisions to establish reasonable setbacks and fencing requirements, but requires that setbacks and fencing requirements do not prohibit or ban any oil and gas operations including flow and gathering lines or pipeline infrastructure. All other regulation of oil and gas operations are the exclusive jurisdiction of the OCC.

In Texas, there have been a number of preemption bills. HB40 by Representative Darby and SB1165 by Senator Fraser both give express jurisdiction for the regulation of oil and gas operations to the state. However, the bill in its current state does not include midstream operations. We are working with the authors to amend one of the bills to include midstream. SB1165 passed through the Senate Committee and will next be heard on the Senate floor. HB40 is pending action in the House Energy Resources Committee. HB3044 by Representative Dale states that any rules and standards adopted by the Railroad Commission of Texas (RRC) will preempt and supersede any ordinance by a political subdivision relating to any aspect, facility or phase of the pipeline industry. It also provides language for the political subdivision to petition the RRC for permission to promulgate more restrictive rules and standards related to conditions for mapping, inventorying, locating or relocating pipelines over, under, along or across a public street, alley or other public property in the boundaries of the municipality. The bill has been referred to the House Energy Resources Committee.

Louisiana proposes permitting increase

The Louisiana Department of Natural Resources is proposing increases in permitting that would generate \$12 million in revenue due to the state's budget shortfall of \$1.2 billion. A proposed fee increase of approximately 75 percent on intrastate pipelines would generate additional revenue to the state of \$800,000. The legislative session begins April 27 and a bill will be introduced at that time.

Pennsylvania bill would encourage usage of natural gas

SB 214 creates the Natural Gas Consumer Access Act to require distribution system extension and expansion plans to increase natural gas usage in Pennsylvania. GPA is supportive of the bill. Key specifics from the bill are:

- Encourage the use of natural gas to assure that natural gas energy is accessible to Pennsylvanians
- Require each natural gas distribution utility to submit a distribution system extension and expansion plan to the PUC for review to ensure each utility is continuing to expand access throughout Pennsylvania
- Require the Public Utility Commission to develop rules to produce an orderly system for reviewing current levels of natural gas service and to allow for the orderly expansion of natural gas service to areas not currently served
- Require the natural gas distribution utilities to provide residential, commercial and industrial customers with a reasonable period of time, which shall not be less than 10 years, for the customer to reimburse the utility for the customer contribution and commission-authorized costs
- Require the natural gas distribution utility to provide a bona fide request program in areas where it does not provide service and to provide for the priority of projects where there is a large aggregation of residential, commercial or industrial entities

Technical Section A re-voting on three new documents – deadline nears

Technical Section A – Facilities Design & Optimization has an active poll in place for three new documents: *GPA Facilities Design Recommended Practices*, *Survey of Recent Plant Spacing Recommendations*, and *Facilities Design & Optimization Training Resources List*.

The *Facilities Design Recommended Practices* are designed to serve as a guide for engineers and others who are charged with preparing specifications for the construction of natural gas processing plants, compressor stations, and other midstream industry facilities.

The intent of the *Survey of Recent Plant Spacing Recommendations* is for use in the preliminary design of the construction of midstream facilities or the addition of equipment and process units to existing facilities.

The *Facilities Design & Training Resources List* provides a reference for educational opportunities focused on the midstream industry.

The ballot to accept the documents was sent to Section A members on March 6, and the deadline to vote is April 9.

These documents were balloted around this time last year but did not receive minimum required participation to be valid. We highly encourage participation in this association activity and appreciate committee members whom have already responded.

Voting on approval of new standard in progress – deadline nears

Technical Section B – Analysis & Test Methods has created a new standard, GPA 2198 - *Selection, Preparation, Validation, Care and Storage of Natural Gas and Natural Gas Liquids Reference Standard Blends*. The ballot to accept the new document was sent to section B members on March 10, and the deadline to vote is April 9. This standard covers the recommended procedures for selecting the proper natural gas and natural gas liquids reference blends, preparing the blends for use, verifying the accuracy of composition as reported by the manufacturer, and the proper care and storage of those blends to insure their integrity and longevity as long as they are in use. These procedures can be used to monitor and improve lab performance, as well as the integrity of reference blends.

Technical Section C ballot of GPA 2140 underway – deadline nears

Technical Section C – Products & Specifications has completed revisions to GPA 2140 - *Liquefied Petroleum Gas Specifications and Test Methods*. The ballot to accept the changes was sent to Section C members on March 12, and the deadline to vote is April 11. Changes to this document include updates to the volatile residue properties for commercial butane, commercial butane-propane mixtures, and propane HD-5 and the reduction of specified test methods for moisture content down to one method. No other material changes were made to the standard.

GPA/GPSA Calendar

View event details at www.GPAGlobal.org/calendar.

March

27 – GPA Canada 27th Annual Operations and Safety Conference

27 – North Texas GPA East Texas Sporting Clays

April

12 – 15 – 94th Annual GPA Convention

22 – GPA Europe Spring Conference
