



the voice and choice of public gas

Small Operator Perspectives:

Safety Management Systems, Plastic Pipe Rule, and Other Updates

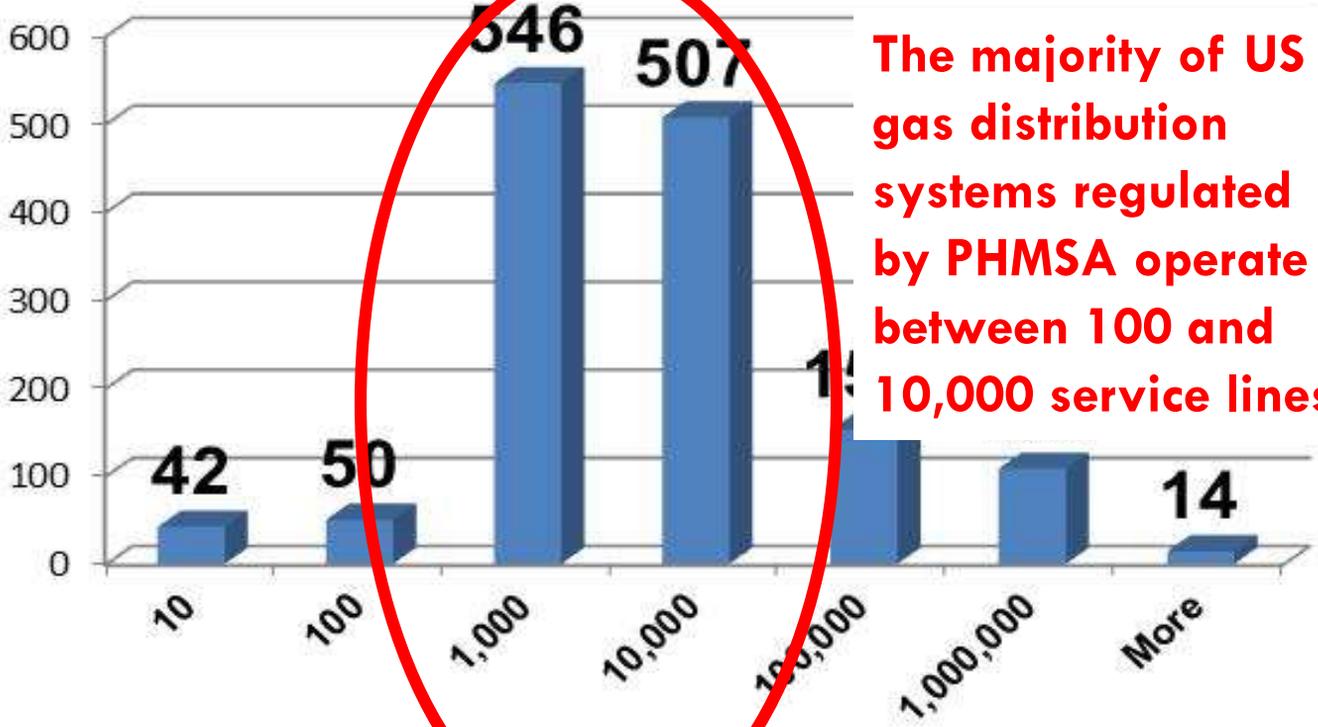
August 21, 2019

Who is APGA?

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- 1,028 Publicly Owned Gas Systems in U.S.
- 730+ are APGA Members
 - States Served: 37 states
 - Serve approximately 5 million customers
 - Employees: 21,000
 - Miles of Main: 120,000

Size of US Gas Distribution Systems



The majority of US gas distribution systems regulated by PHMSA operate between 100 and 10,000 service lines

Number of Service Lines (Up to # shown)

Mission Statement

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The
Safe and Reliable Delivery
of
Affordable Natural Gas
at
Just & Reasonable Rates

APGA Perspective

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- *We Remember*
- Pipeline Safety Management Systems
- Reauthorization
- APGA Programs
- SIF
- Advocating for Natural Gas
 - ▣ Benefits of Direct Use
 - ▣ The “Green New Deal”
 - ▣ Appliance Efficiency
 - ▣ Natural Gas: Genius!

We Remember

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- June 2019 Industry Letter on 20th Anniversary of Bellingham
 - ▣ Incident was result of a **preventable excavation damage** and **pipeline integrity issue**.
 - ▣ Analysis of the leak and subsequent explosion identified serious regulatory gaps which have shaped how we approach holistic pipeline safety.

Since Bellingham:

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Our industry has revised, updated and developed—

- ▣ Recommended practices and standards for integrity management
- ▣ In-line inspection tools
- ▣ Emergency preparedness and response
- ▣ Leak detection program management
- ▣ Public awareness programs
- ▣ Safety management systems, and
- ▣ Made significant changes in safety management, pipeline integrity, damage prevention, operator qualification and public awareness.

March 11 Note from Bruce Brabec

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- *“Regarding Bellingham, I hope you will keep remembering Liam. Though he would be 38 now, he is forever 18 years old and just graduated from high school. And remember Wade and Stephen who are forever 10 years old.”*
- *“I want you to remember each of them to keep present the seriousness of your work and the responsibility you carry.”*
- *“Pipeline failures may be considered low-probability and high-consequence “events”, but I want remembering Liam and Bellingham to keep up-front that consequences can be deadly, and that low-probability can ring hollow.”*

Pipeline Safety Management Systems

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- APGA Commitment to Pipeline Safety
- PSMS Industry Team
 - ▣ Three Goals:
 - Increase Industry Participation
 - Provide Tools for New & Experienced Systems
 - Advocate the Benefits of PSMS
 - ▣ APGA Staff & an APGA member representative
- APGA Planning Tool for Small Operators
 - ▣ <https://www.apga.org/issues/operationssafety/apga-psms>



- System Operations Achievement Recognition
 - SOAR gives recognition to those APGA members that have demonstrated a culture of operational excellence
 - Every APGA member can earn the recognition, if they meet the criteria



- Operational excellence is measured in 4 areas:
 - System Integrity
 - Employee Safety
 - Workforce Development
 - System Improvement



- First, there are no SOAR losers
- Recognition will be granted at three levels of accomplishment:
 - Bronze (80-89%),
 - Silver (90-97%) or
 - Gold (>98%) level achievers.

Pipeline Safety Reauthorization

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- Congress must reauthorize the Pipeline Safety Act every 4 years
- The process has begun
- Legislation drives regulations and accidents drive legislation
- The over-pressurization incident in Massachusetts is driving this year's legislation

Pipeline Safety Reauthorization

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- Prior to the August recess beginning, there was some progress with Pipeline Safety Reauthorization.
 - ▣ Both the Energy Subcommittee in the House Energy and Commerce Committee and the Transportation and Safety Subcommittee in the Senate Commerce Committee released legislation.
 - ▣ While the Energy and Commerce Committee did not pass a bill out of committee, the Senate Commerce Committee did.
 - ▣ The next step will be voting on that bill on the Senate floor.
 - ▣ The House Transportation and Infrastructure Committee also has jurisdiction over Pipeline Safety Reauthorization, but have yet published a bill or have a hearing.
 - ▣ Once the separate committees in the House have completed their work and bills pass both chambers, any differences will be worked out in a Conference Committee.
 - ▣ Finally, a bill will go to the President.
 - ▣ It is still likely that Congress will pass a bipartisan bill to reauthorize the Office of Pipeline Safety in a timely manner.

Pipeline Safety Reauthorization

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- ❑ Encourage Greater Support for State Programs
- ❑ Prioritize Completion of Existing Mandates
- ❑ Addressing NTSB Recommendations from Merrimack Valley
 - ❑ PE Stamp Requirement
 - High Risk Designs
 - PE vs. Knowledge & Competency
 - ❑ Management of Change
 - Significant changes
 - Align with API RP 1173: PSMS

APGA Programs

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- APGA Mutual Aid Program
 - ▣ Launched in May
 - ▣ Collaborating across industry to develop a single “National Mutual Aid Program”
- System Overall Achievement Recognition (SOAR) Program
 - ▣ 11 New Systems Participating in 2019
 - ▣ 48 Actively Participating Members
 - ▣ New in 2018: SOAR Best Practice Roundtables
 - DIMP Accelerated Actions & Job Site Safety
- Gas Overall Awareness Level (GOAL)
 - ▣ For Public Awareness Effectiveness Measurement

APGA Security & Integrity Foundation

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- SHRIMP 3 Released on April 2, 2019
 - ▣ New Natural Forces Threat Assessments have been rewritten
 - Pick list of natural forces sub threats
 - Forces user to identify areas subject to natural forces
 - ▣ Users will need to repeat the Natural Forces Threat Assessments from their beginning
- Operator Qualification Program
 - ▣ Discontinuing SIF's OQ Program by end of 2019
- Gas Operations & Safety Orientation Videos
 - ▣ Free Videos, Less than 5 minutes in length
 - <http://apgasif.org/gas-operations-safety-orientation-videos/>

The Benefits of Direct Use



- Reliable
- Affordable
- Abundant / Domestic
- Direct-Use: 92% Efficient
- Reduces consumer energy costs
- Reduces greenhouse gas emissions
- Resilient

Green New Deal

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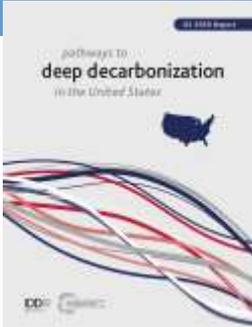
- 10 year national mobilization goals—
 - Meet 100% of U.S. power demand with clean, renewable, and zero-emission energy sources
 - Repair and upgrade U.S. infrastructure, including . . . by eliminating pollution and greenhouse gas emissions as much as technologically feasible
 - Build or upgrade to energy-efficient, distributed, and ‘smart’ power grids, and work to ensure affordable access to electricity

Green New Deal

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- Upgrade all existing buildings and construct new buildings to achieve maximal energy efficiency, water efficiency, safety, affordability, comfort, and durability, including through electrification
- Overhaul U.S. transportation systems to eliminate pollution and greenhouse gas emissions as much as is technologically feasible, including through investment in:
 - Zero-emission vehicle infrastructure and manufacturing;
 - Clean, affordable, and accessible public transportation; and,
 - High-speed rail

Attacks on Natural Gas



Campaigns
Ready for 100
Beyond Coal
Beyond Oil
Beyond Natural Gas
Our Wild America



Goals & Strategies

ANTI-ENERGY CAMPAIGNS

Goals

- Block (or significantly delay) development/transport of oil and natural gas

Strategies

- Block federal permits
- Block state permits
- Block infrastructure

Tactics

- Protests
- Regulations/Legislation/ Ordinances
- Lawsuits
- Social media pressure
- Direct Advocacy
- Communication/Messaging



Anti Fossil Fuel Messages

- Message “Keep-it-in-the-Ground”
- Oppose **all** fossil fuels (oil/gas/coal)
- Oppose **all** extraction methods (offshore/onshore)
- Oppose **all** modes of energy delivery
- Opposition to new natural gas pipelines (viewing them as unnecessary and a future stranded asset)
- “Moral responsibility”

Electrification / Decarbonization

- All electric/renewable grid
- Push in some US states (**California**, New York,) and Canada
- Policies aim at aggressive CO₂/GHG reductions
 - 40% by 2030 and 80% by 2050
- NRECA – “Environmentally Beneficial Electrification”
- Lawrence Berkeley National Lab – The key to meeting GHG goals is “widespread electrification of passenger vehicles, building heating, and industry heating.”

Electrification / Decarbonization

- Berkeley, California
 - ▣ In July, Berkeley became the first city in the US to ban natural, fossil gas hook-ups in new buildings
 - ▣ The landmark ordinance was approved unanimously by the city council amid resounding public support
 - ▣ Natural gas has become the new climate crisis frontline
 - ▣ PG&E expressed its support for this ordinance

Highlights: May 2019 NIST Study

- Low gas prices provide incentives to install gas-fired equipment when minimizing LCCs.
- Electric heating equipment performs better economically in reaching net-zero energy.
- In achieving net-zero energy, electric equipment produces higher environmental impacts.
- The cost-optimal design uses gas heating, saving an additional \$937 over the period.
- Use of electric heating equipment lead to higher construction, energy and life-cycle costs.

Appliance Efficiency

- Furnace SNOPR
- Separate Product-Class Petition
- Commercial Boiler Rule
- Residential/Commercial Water Heaters
- DOE Process Rule

Campaign Concept

Natural Gas. Genius. Is a multi-media consumer marketing campaign that speaks from the heart and mind of today's homebuyer/remodeler. It's refreshing, irreverent and right on target with this target audience.

In each component of the campaign, we experience **people's stories** that show us how they are **transforming into providers of better living for themselves and those they love because they are choosing natural gas.**

The voice of the campaign comments on this transformation, **acknowledges** the progress/genius moves these people are making and **encourages** them to do more with natural gas—all while poking a little fun and **laughing with them** about who they used to be and how far they have come.

The **campaign look** shows a primary photograph of the person in the story, with several smaller images that give us glimpses into the person's family and friends and the warm, cozy, comfortable, fun **moments** they are enjoying enabled by natural gas.





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