



## Weekly Update February 10, 2011

### APGA Defends Critical LIHEAP Funding

Today, the American Public Gas Association (APGA) sent a letter to President Obama opposing the proposed \$2.5 billion cut to the LIHEAP, as a part of his 2012 Budget. The potential cut would drop program funding to \$2.6 billion which is approximately the same funding level from 2008.

Under intense pressure from Congressional Republicans, President Obama has already pledged to freeze domestic discretionary spending for five years. Though this proposed freeze would save \$400 billion, critics of President Obama argued that the savings were wholly insufficient.

Perhaps in response to these charges, the President's 2012 Budget is expected to contain further cuts to domestic spending. However, to date, the \$2.5 billion cut to LIHEAP is the single largest known reduction in the President's Budget.

In response to the proposed cut, APGA President and CEO Bert Kalisch said, "Millions of the most vulnerable citizens in our country, including the elderly, rely on LIHEAP funding to meet their energy needs. For these people, the choice between adequate home heating or putting food on their tables is not simply hyperbolic rhetoric; it is the reality with which they must struggle every day. We would request that in the midst of economic difficulties, an unusually harsh winter, and with increasing energy prices looming, you maintain the LIHEAP program funding level at least at the FY10 level of \$5.1 billion."

LIHEAP funds protect the most vulnerable among us and are allocated by the Federal Department of Health and Human Services (HHS) and administered by the states. The formula used to allocate funds under LIHEAP is based on two sets of regulations and is weighted towards state's relative cold-weather conditions and households living in poverty.

The final funding level for the LIHEAP will be determined in the coming weeks as Congress considers a short-term Continuing Resolution and later the full 2012 Budget.

You can view a copy of the letter at [www.apga.org/210Obama](http://www.apga.org/210Obama).

If you have any questions on this article, please contact Scott Morrison of APGA's staff by phone at 202-464-2742 or by email at [smorrison@apga.org](mailto:smorrison@apga.org).

**Senate Energy Committee Chairman's Priorities for the 112<sup>th</sup> Congress**

Last week, Senate Energy Committee Chairman Jeff Bingaman (D-NM) released a statement detailing his priorities for the 112<sup>th</sup> Congress. The agenda is quite ambitious given the extensive changes to the Committee membership (eight new members due to the recently held elections) and the long and complex set of issues that are to be undertaken.

<u>New Members of the Senate Energy Committee</u>	
Democrats:	Republicans:
Senator Chris Coons (DE)	Senator Dan Coats (IN)
Senator Al Franken (MN)	Senator John Hoeven (ND)
Senator Joe Manchin (WV)	Senator Mike Lee (UT)
	Senator Rand Paul (KY)
	Senator Rob Portman (OH)

In order to provide a rationale for specific policy proposals, Senator Bingaman discussed four principles that will guide the Committee throughout the 112<sup>th</sup> Congress: Expanding energy research and development, Developing a domestic market for clean energy technologies, Ensuring that the U.S. financial system infrastructure is sufficient to promote clean energy, and Creating clear policies to promote domestic manufacturing of clean energy technologies.

Senator Bingaman detailed numerous specific legislative proposals that the Committee would consider over the coming year. However, three proposals in particular will be of critical importance for APGA members:

- **Appliance Efficiency:** Senator Bingaman noted his desire for the Committee to pass appliance efficiency standards that have been negotiated with industry and consumer groups in the previous Congress. This legislation presents an opportunity for APGA and members to push for inclusion of natural gas appliances and for the Full-Fuel-Cycle analysis method to determine the actual energy efficiency of these appliances.
- **Natural Gas Vehicles:** Senator Bingaman discussed the importance of the Committee considering alternative transportation solutions. In particular, he discussed the proposal originally created by Senators Dorgan and Alexander, the Promoting Natural Gas and Electric Vehicles Act, that passed the Committee in the 111<sup>th</sup> Congress, but never received a floor vote. APGA did support this legislation in the last Congress.
- **Clean Energy Standard (CES):** Senator Bingaman vowed to follow through on President Obama’s push in the State of the Union to develop and implement a CES for electricity generation. While noting his strong support for renewable energy, he agreed to pursue a CES ensuring careful evaluation of what is considered “clean”. This may potentially have an impact on demand as natural gas will very likely be considered clean under a CES and thus further driving generators to use natural gas as a fuel.

Over the next year, these issues and many others will be considered by the Energy Committee. However, due to the start of the 2012 Presidential Election, many anticipate that there is a relatively short 6-9 month window for the Committee to pass legislation that will have any chance of passing the full Senate.

If you have any questions on this article, please contact Scott Morrison of APGA's staff by phone at 202-464-2742 or by email at [smorrison@apga.org](mailto:smorrison@apga.org).

### **PHMSA Issues Advisory About Snow and Ice Impact on Pipeline Facilities**

PHMSA has issued an Advisory Bulletin reminding operators of the need to take the appropriate steps to prevent damage to pipeline facilities from accumulated snow or ice. The accumulation of snow and ice increases the potential for damage to meters and regulators and other above ground pipeline facilities and components. Incidents have occurred in past winters on natural gas distribution system facilities that appear to have been related to either the stress of snow and ice or malfunction of pressure control equipment due to ice blockage of pressure control equipment vents.

Exposed piping at metering and pressure regulating stations, at service regulators, and at propane tanks, are at greatest risk. Damage may result from the stresses imposed by the additional loading of the snow or ice. Damage to facilities may also result from the impact of snow or ice falling from roofs, ice forming in or on regulators preventing their proper operation, or shoveling snow from roofs to protect dwellings from abnormal snow accumulation. The advisory reminds owners and operators of the need to take precautionary actions to prevent adverse events. Copies are available at [www.apga.org](http://www.apga.org).

For more information contact John Erickson, APGA vice president, Operations 202-464-2742, ext 1002 or [jerickson@apga.org](mailto:jerickson@apga.org).

### **Senate Pipeline Safety Bill Introduced**

On February 3, Senators Frank Lautenberg (D-NJ) and John Rockefeller (D-WV) introduced legislation entitled the Pipeline Transportation Safety Improvement Act of 2011. Senator Rockefeller chairs the Commerce, Science and Transportation Committee and Senator Lautenberg chairs the Subcommittee on Surface Transportation which has jurisdiction over pipeline safety reauthorization. APGA anticipates that this legislation will be the base text of what the Senators may begin to move through the Committee. In a statement that accompanied the release of the bill, Senator Lautenberg communicated "Our legislation will help to ensure the safety and efficiency of this vital transportation network. We can prevent deadly accidents by requiring more advanced technology, increased inspections, and steeper penalties for safety violations."

Among other things, the bill would: where economically and technically feasible expand excess flow valve requirements to include multi-family buildings and small commercial facilities;

eliminate exemptions and require all local and state government agencies, and their contractors, to notify “One-Call” notification centers before digging; require the installation of automatic or remote-controlled shut-off valves on new transmission pipelines; require the Secretary of Transportation to evaluate whether integrity management system requirements should be expanded beyond currently defined high consequence areas and establish regulations as appropriate; and increase civil penalties for violators of pipeline regulations and add civil penalties for obstructing investigations.

APGA met with staff several times to discuss reauthorization of the Pipeline Safety Act and also testified before the House Transportation and Infrastructure Committee last year on pipeline safety issues. A copy of this legislation is available on the APGA website at [www.apga.org](http://www.apga.org). Senate staff has indicated that they may try and move this legislation in the near future. If you have any questions on this article or reauthorization of the Pipeline Safety Act, please contact Dave Schryver of APGA’s staff by phone at 202-464-2742 or by email at [dschryver@apga.org](mailto:dschryver@apga.org).

### **EPA Denies Study Downplaying the Benefits of Natural Gas**

Two weeks ago, several reputable DC-based publications reported that the Environmental Protection Agency (EPA) released a new study questioning the emissions benefits of natural gas. These articles were based on another article written by Abraham Lustgarten of the non-profit site “Pro Publica” which conducts investigative journalism in the public interest.

Given the critical importance of this news to APGA members, on February 7, Public Gas News (PGN) ran an article entitled, “EPA Study Concludes Natural Gas Emissions are Higher than Previously Thought.” The article discussed how on average the emissions benefits for natural gas power plants are only 40% cleaner than coal and the more inefficient plants are only 25% cleaner and the potential impact this information could have on policymaking.

Yesterday, the EPA released a statement flatly denying the facts contained in this article and in the others released beforehand. APGA contacted the EPA, and received the following response from the Director of Communications for Climate Change, Erin Birgfeld:

“EPA has not conducted an analysis of coal versus natural gas, and there is no new report. The information referred to in the article was developed based on information from a Technical Support Document, however, which was developed as support for the Greenhouse Gas Reporting Program. ([http://epa.gov/climatechange/emissions/downloads10/Subpart-W\\_TSD.pdf](http://epa.gov/climatechange/emissions/downloads10/Subpart-W_TSD.pdf)) The reporter [of the original article] used that data and did his own calculations to arrive at the figures used in the article.

EPA has not reviewed the analysis described in the article in detail, but we have not seen any indication that the benefits of natural gas have been called into question. Available data demonstrate that switching from another fossil fuel to natural gas reduces emissions of carbon pollution and other harmful pollutants that threaten Americans’ health.”

APGA contacted Mr. Lustgarten for his response to the EPA's statement. Mr. Lustgarten replied, "We will not be printing a retraction, as I do not believe there is anything to retract. The material is accurately represented in my article, we even link to the non-EPA resource the analysis is based on." Moreover, Mr. Lustgarten defended the calculations made in his article and asserted that EPA is supportive of his work.

APGA sincerely apologizes for publishing an article that was found to contain inaccurate information. APGA strives to ensure that the information provided is accurate, timely, and complete.

If you have any questions on this article, please contact Scott Morrison of APGA's staff by phone at 202-464-2742 or by email at [smorrison@apga.org](mailto:smorrison@apga.org).

### **Leverage Geography to Satisfy DIMP Requirements**

Every threat involved in a distribution integrity management program (DIMP) has a geographic location. When you use GIS technology, you are able to connect distribution data to its geographic location. This allows you to keep information current, and provides you with a powerful analytical tool to identify and quantify threats, calculate and model risks, and create accurate reports.

GIS technology leverages the geographic components of your gas distribution system to help you reduce risk, improve safety, and satisfy DIMP requirements.

In an ongoing webinar series, Esri gives you a firsthand look at how to complete crucial DIMP requirements using GIS technology. The free webinar series will demonstrate how to identify threats, evaluate and mitigate risk, and measure the performance of your process.

#### **Register to take part in the series:**

##### **February 23—GIS and DIMP**

Learn how to use GIS for distribution risk assessment and field data collection. Find out how GIS can also help you document and demonstrate an understanding of your system. Beyond DIMP, see how GIS helps you meet key performance indicators without any additional investment

##### **March 23 –Maintain Critical DIMP data**

See how GIS can help you maintain and access critical DIMP data. We will discuss how the same data and software can be used to improve decision making in other areas of the utility.

##### **April 20 –Collect and Validate Field Data**

Learn how to use GIS-based mobile tools to record new information and validate existing field data. Then, expand the use of these tools to other business processes.

##### **May 18 - Present and Expose DIMP Results**

Discover how GIS can be used to communicate DIMP analysis results with regulators, decision makers, and stakeholders. Beyond DIMP, see how GIS can help improve decision making.

June 15 – Measure Risk and Answer Critical Questions

Step through the process of using GIS to measure risk and complete DIMP analysis. Find out how free models can add value to your organization.

**Sign up for the free DIMP webinar series at [www.esri.com/dimp](http://www.esri.com/dimp).**

**Weekly Storage Report: Storage decreases to Bcf 2,144.**

Here is the weekly EIA Summary Report issued on Thursday, February 10, 2011, that reports last week's storage report highlights for Friday, February 4, 2011. A 209 Bcf decline has been reported.

**Summary**

Working gas in storage was 2,144 Bcf as of Friday, February 4, 2011, according to EIA estimates. This represents a net decline of 209 Bcf from the previous week. Stocks were 98 Bcf less than last year at this time and 45 Bcf below the 5-year average of 2,189 Bcf. In the East Region, stocks were 115 Bcf below the 5-year average following net withdrawals of 110 Bcf. Stocks in the Producing Region were 73 Bcf above the 5-year average of 716 Bcf after a net withdrawal of 67 Bcf. Stocks in the West Region were 3 Bcf below the 5-year average after a net drawdown of 32 Bcf. At 2,144 Bcf, total working gas is within the 5-year historical range.