Pipeline Safety Reauthorization Update

Prior to the August recess beginning, there was some progress with Pipeline Safety Reauthorization. As many are aware, legislation reauthorizing the Pipeline Safety Office within the Pipeline and Hazardous Materials Safety Administration (PHMSA), is scheduled to be passed by this Congress. To recap all that has happened, there have been hearings by most of the committees with jurisdiction over the agency, including the Energy Subcommittee in the House Energy and Commerce Committee and the Transportation and Safety Subcommittee in the Senate Commerce Committee. Each of these subcommittees also released legislation. While the Energy and Commerce Committee was not able to pass anything out of committee, the Senate Commerce Committee did. The next step will be voting on that bill on the Senate floor.

APGA staff worked very closely with the Senate committee staff throughout those efforts and will continue to be engaged as Senate leadership schedules a floor vote. APGA staff worked with the Energy and Commerce Committee staff on their legislation, too, and as they work to get out of that full committee, will engage appropriately. As well, the House Transportation and Infrastructure Committee has jurisdiction over Pipeline Safety Reauthorization. They have yet to publish a bill or have a hearing, so that will come post-August. 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. With a reauthorization due date of September 30, there are a few working days left to complete all this work.

APGA staff will continue their efforts in collaborating with Congressional stakeholders, but if legislation is not passed, PHMSA has other funding sources. The agency will continue to operate. APGA staff does get the sense that Congress would like to pass a bipartisan bill to reauthorize the Office of Pipeline Safety in a timely manner.

For questions on this article, please contact Stuart Saulters of APGA staff by phone at 202-464-2742 or by email at ssaulters@apga.org.

Congressional Overview and Outlook

Every August, Congress adjourns for a month-long recess (also known as district work period) to spend time with constituents. State and district staff remain busy, shuffling Members around to events and town halls. Back in Washington, official legislating comes to a pause as votes and bill introductions cease. However, the periods leading up to August recess and immediately proceeding it are some of the busiest of the year.

The House adjourned the second to last week of July. Prior to leaving, the House passed a significant agreement on the debt limit and a two-year budget, allowing for increased spending over the next several years and averting a potential fiscal crisis triggered by Congress running out of the ability to borrow money. This agreement alleviates significant pressure on both parties and gave House Democrats a win, as they earn a policy victory in divided government and increase federal expenditures for some of their priorities.
Concurrently in the House, the Energy and Commerce Committee was forced to cancel a scheduled markup of a draft bill to reauthorize the Pipeline and Hazardous Materials Safety Administration (PHMSA). Committee staff had worked diligently to assemble a bipartisan PHMSA bill and pass it out of the Committee before August recess. However, the bill was removed from the schedule after agreements could not be made regarding several sections of the bill. Following August recess, both the Energy and Commerce Committee and Transportation and Infrastructure Committee will need to pass versions of their PHMSA reauthorization bills.

The House may look at some energy-related policy items when Congress returns. There has been discussion in the Energy and Commerce Committee about addressing some legacy energy policy issues. The Ways and Means Committee may decide to look at some new energy-related tax incentives. And appropriators will need to pass some sort of spending package, whether a Continuing Resolution or omnibus spending bill, that will undoubtedly contain energy provisions.

The Senate left town the last week of July after accepting the House-passed budget and debt deal. The Senate Commerce Committee also attempted to pass a version of PHMSA reauthorization. Similar to the House, last-minute uncertainty threatened bill passage in Committee before adjournment for recess. However, the Commerce Committee was able to come to an agreement and voted the PHMSA package out of their committee. The PHMSA bill now can go to the floor in the Senate for full Senate approval. It will still need to be approved by a conference committee of both Representatives and Senators before final passage.

On top of that, the Senate Environment and Public Works Committee was able to successfully mark up and pass out a major reauthorization of the Fixing America’s Surface Transportation (FAST) Act from 2015. Dubbed the American Transportation Infrastructure Act, the bill authorizes $287 billion in spending on various surface transportation programs. This includes $1 billion in grants for alternative fuel infrastructure on federally-designated alternative fuel corridors, including natural gas vehicle infrastructure. Additionally, the bill marks several billions for emissions reduction programs and resiliency spending, and provides for various permitting streamlining items. The bill was unanimously passed out of the Senate EPW Committee, but must go through several other committee referrals before making it to the floor.

In terms of fall activity in the energy space, the Senate Energy and Natural Resources Committee may decide to move on legislation covering a variety of topics affecting APGA members. Sens. Murkowski (R-AK) and Manchin (D-WV), respective chairman and ranking member of the Senate Energy Committee, have both voiced their desire to do some sort of energy package this fall. This could include energy efficiency, building codes, FERC, permitting, and other areas.

The rest of the year will likely be dominated by debate surrounding a spending package. Additionally, geopolitical and domestic hot-button issues seem primed to take up much of Congress’ time.

As always, APGA continues to track and influence policy debates impacting its membership on Capitol Hill. However, August recess (or any Congressional recess) is a good time for APGA members themselves to interact with their elected representatives back in the state. Lawmaker engagement and education is a crucial part of ensuring APGA’s policy priorities are heard.
APGA To Send Out Nominations for the Public Gas Policy Council

In September, APGA will send to all of its members a form for them to nominate officials to the APGA Public Gas Policy Council (PGPC). The PGPC is made up of locally elected and appointed officials from public natural gas communities. The PGPC meets annually in Washington, D.C. in conjunction with the APGA Spring Board and Committee Meetings. The 2020 meeting is scheduled for May 5 and 6. During this time, the PGPC will meet with key members of Congress and the executive branch. The 2019 meeting included a reception in the Senate and over 50 meetings between APGA members and congressional offices.

The primary purpose of the PGPC is to assist APGA in moving legislation forward that is important to its members, to oppose harmful legislation, and to provide advice on other legislative related issues of importance to APGA. Locally elected and appointed public officials have a strong, persuasive, and authoritative voice in Washington, D.C. with their elected representatives in both the House and Senate. Having a core group of elected officials carry the public gas message to Congress significantly strengthens APGA’s advocacy efforts.

The deadline for submitting nominations will be December 1. Please note that if you already have an official serving on the PGPC, there is no need to re-nominate that individual. You can send your nominations to Dave Schryver at APGA by fax at 202-464-0246 or by email at dschryver@apga.org. Information on the PGPC is also available on the APGA website. Once nominations are received, appointments to the PGPC will be considered for approval by the APGA Board of Directors. If you have an elected or appointed official from your community that would be a good advocate for public natural gas, APGA strongly encourages you to submit a nomination for that individual. For questions regarding the PGPC, please contact Dave Schryver of APGA staff by phone at 202-464-2742 or by email at dschryver@apga.org.

APGA Submits Comments to CPUC on Building Decarbonization Rulemaking

On August 13, APGA, with support from the Direct Use Task Group (DUTG), submitted comments to the California Public Utility Commission (CPUC) on a rulemaking regarding building decarbonization. This effort is part of implementation of the recently passed Senate Bill 1477 (Low-emissions buildings and sources of heat energy). Unfortunately, the state of California is trying to achieve aggressive energy policies without any consideration of natural gas, even renewable natural gas.

In its comments, APGA took the opportunity to inform the CPUC of the value of natural gas to California consumers. Statistics on utility bill savings, as well as the energy efficiency advantages of the direct use of natural gas versus electricity were highlighted. With one goal of this rulemaking being to ensure that low-income families have energy, APGA commented that it is non-sensical not to allow these individuals access to affordable and reliable natural gas. Finally, another theme of APGA’s input was California residents want choice. Studies show that Californians don’t want the government choosing their energy source for them.
APGA staff will keep members updated as this rulemaking progresses, and if other states pursue similar policies, members will be informed and asked how to engage. To see the comments, click here.

For questions on this article, please contact Stuart Saulters of APGA staff by phone at 202-464-2742 or by email at ssaulters@apga.org.

**SIF Discusses DIMP at MEA Operations Conference**

On August 15, John Erickson spoke on behalf of the APGA Security and Integrity Foundation (SIF) at the Midwest Energy Association’s Operations Conference in Rochester, Minn. John focused on lessons learned after eight years of complying with the Distribution Integrity Management Programs (DIMP) regulation. Over 1,600 distribution operators have used the SIF’s Simple Handy Risk-based Integrity Management Plan (SHRIMP) program to develop their DIMP plans. John’s talk was based on feedback received from SHRIMP users and state regulators who have audited systems using SHRIMP.

One overriding lesson learned is that many operators don’t fully understand the concept of integrity management. Integrity management is a process of focusing resources on the highest relative risks to public safety and monitoring the results. Feedback from regulators has been that many operators merely answer the questions asked by SHRIMP and accept SHRIMP’s risk ranking without applying their own knowledge of risks to their system. Likewise, many state auditors also do not fully understand the concept of risk management which does not fit into a “check the box” audit approach.

He used recent changes to SHRIMP to highlight other lessons learned. The addition of a subthreat for PermalockTM tapping tees demonstrates the importance of considering information from outside sources in an operator’s DIMP analysis. Issues with these tapping tees were included in an accident investigation conducted by the National Transportation Safety Board (NTSB). Other sources of outside information are the Pipeline and Hazardous Materials Safety Administration (PHMSA), industry conferences and meetings and participation in state, regional and national trade associations.

He closed by discussing the pending reauthorization of the pipeline safety act, which will undoubtedly impose new requirements for DIMP programs. In the aftermath of the fires and explosions in Massachusetts last September caused by an overpressure of a low pressure system, the final reauthorization bill is likely to include requirements that PHMSA amend the DIMP rule to include provisions to prevent such overpressure events.

For questions on this article, please contact John Erickson of APGA staff by phone at 202-464-2742 or by email at jerickson@apga.org.

**EIA Reports Storage Increase of 49 Bcf to Put Working Gas Storage at 2,738 Bcf**

Here is the weekly EIA Summary Report issued on Thursday, August 15, which reports the week’s storage report highlights for Friday, August 9. A 49 Bcf increase has been reported.

Working gas in storage was 2,738 Bcf as of Friday, August 9, 2019, according to EIA estimates. This represents a net increase of 49 Bcf from the previous week. Stocks were 357 Bcf higher than last year at this time and 111 Bcf below the five-year average of 2,849 Bcf. At 2,738 Bcf, total working gas is within the five-year historical range.