



IN THE PIPELINE

TEXAS PIPELINE ASSOCIATION NEWSLETTER

SUMMER 2024

FROM THE CHAIRMAN



I hope y'all are enjoying your summer and survived the May storms that affected most of the state. These storms are a reminder of the importance for our industry to weatherize assets to minimize severe weather impacts, prepare infrastructure in advance of an incoming storm and be prepared to quickly address any disruptions in service. If we all follow these steps, it will help ensure energy reliability for Texans when they are counting on us the most.

Now, we can't talk about weather preparedness without mentioning Uri, the most significant winter event I have experienced in my 35-year pipeline career. As a result of the severe power outages during Uri, the Texas Legislature and the Railroad Commission of Texas (RRC) have implemented new laws and regulations to strengthen the reliability of the natural gas supply chain and the electric grid within the state. One of the primary goals of these new requirements is to maintain service to the human-needs customers of the Local Distribution Companies and power generators.

Some of the significant changes that have been implemented since Uri are:

- SB3 – Weatherization of Critical Facilities and adoption of the RRC's Weatherization Rule
- SB2627 – Establishment and passage of the Texas Energy Fund, which helps incentivize the development of new generation facilities within Texas

These changes are certainly a step in the right direction. However, what will ultimately keep natural gas flowing to critical customers during severe weather events is firm natural gas storage agreements with off-site facilities and firm natural gas transportation service on intrastate natural gas pipelines. Unfortunately, firm storage on Texas intrastate pipelines cannot participate in ERCOT's Firm Fuel Supply Service. This is a critical component of the natural gas supply chain and further enhances grid reliability to ensure uninterrupted service to human-needs customers.

While much thought and effort have gone into hardening the natural gas supply chain and the electric grid, access to off-site natural gas storage remains a critical component to ensuring power reliability. It is no secret that Texas' weather can change at the drop of a hat. Access to off-site natural gas storage is important to mitigate supply disruptions because it serves as a balancing mechanism when variable market demands occur. The exclusion of off-site storage on Texas intrastate pipelines ignores the fact that Kinder Morgan's Texas intrastate pipelines alone provide natural gas supply to more than 24,000 MW or 42 percent of ERCOT's generation capacity and that all Texas intrastate pipelines supply more than 80 percent of ERCOT's total generation capacity.

Clearly, the Firm Fuel Supply Service requirements must be expanded to include firm natural gas storage agreements at off-site facilities in conjunction with firm natural gas transportation on intrastate natural gas pipelines. We believe that these additions would make it a more reliable and competitive ancillary service, while ensuring it maintains the level of service reliability and accountability that is expected. With your ongoing support, I will continue to advocate for these changes as your Chairman to ensure a reliable, dependable natural gas pipeline grid for the state of Texas.

Larry Bell, Kinder Morgan Intrastate Pipelines
Chairman, Texas Pipeline Association

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PRESIDENT'S MESSAGE



Friends,

Welcome to the Summer edition of *In the Pipeline!* This edition is coming off the heels of a wonderful celebration of 40 years of TPA! Thank you all who attended and participated in the events at the Hyatt

Regency Lost Pines Resort and Spa. It was great to recognize and honor Pat Nugent, James Mann and Angie Adams for their years of contributions to TPA. At our luncheon, we were treated to a presentation from Robert Bryce, who is an author, journalist and film producer who focuses on energy policy. His presentation, "*The Energy Transition... What Energy Transition?*" really drove home the importance of hydrocarbon use and illustrated that to remain a global energy leader, hydrocarbons will be in greater – not less – demand in the future. The surplus of accurate data presented was fascinating. I encourage you to request a copy of his slide show that he was kind enough to share with us. Please contact us if you would like to view it.

In addition to the 40th celebration, we had a successful Board of Directors meeting that reported on several industry issues and gave updates of the ongoings of TPA. While this occurs at all TPA Board Meetings, I bring it up as an opportunity to thank and recognize all of the member company representatives who put in a ton of work on their presentations, which are always informative and insightful. A big thank you to all our TPA Committee Chairs, Vice Chairs

and to those who participate in them. I encourage your continued participation, as it positively assists TPA in being a more effective advocate for our industry.

By the next edition of *In the Pipeline*, we will be in the most heated part of election season. It is imperative in this cycle that you make your voice heard at the ballot box supporting energy-friendly policymakers. TPA will be putting together a list of candidates that our PAC is supporting. We encourage you to become involved in races that can make a positive difference for our industry. It's often stated but never wrong that your vote *truly* makes a difference in our process.

The pipeline industry remains vibrant and essential to Texas, which is due to the hard work of TPA member companies. We here at TPA are honored to work for an industry that has done so much to spur the Texas economy. During this interim and next legislative session, we look forward to educating and advocating to policymakers on our essential business. If there is ever an issue you or your company would like us to look into, or if we may ever be of assistance to you or your member company, please reach out to us. Thanks again for making our 40-year celebration a success. I wish you and your families all the very best.

My best to you and yours,
Thure Cannon



THE TEXAS PIPELINE ASSOCIATION CELEBRATES ITS 40TH ANNIVERSARY

The largest state trade Association in the country that solely represents the interests of the intrastate pipeline network is celebrating 40 years of achievements. Founded in 1984, the Texas Pipeline Association's (TPA) 75 board members and guests met on July 12 at the Hyatt Regency Lost Pines Resort and Spa in Lost Pines, Texas, for its quarterly Board Meeting and to mark the anniversary of its founding. The keynote speaker was Robert Bryce, author, journalist and filmmaker.

"For the past 40 years," said TPA President Thure Cannon, "TPA has been at the forefront of ensuring that the Texas pipeline industry is able to successfully deliver the vital hydrocarbons we rely on every single day. Along the way, there have been many milestones and achievements that we are very proud to celebrate."

Major achievements include helping to establish a Pipeline Integrity Program that is even more stringent than at the federal level; spearheading TPA v. FERC to ensure that Texas intrastate pipelines are regulated at the state rather than at the federal level; creating a set of Best Practices with city and county officials



James Mann, Angie Adams, Pat Nugent, Thure Cannon and Larry Bell celebrate the founding 40 years ago of the Texas Pipeline Association.

across the state; reaching a landmark agreement between utility operators – such as pipelines – and landowner groups regarding the very rare times when eminent domain is used; and working with the Railroad Commission of Texas to create an informal complaint process that ensures fairness in contracting.

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Pat Nugent founded TPA in 1984 when he and others saw the need for an association that had only one mission: to represent the interests of a burgeoning network of pipelines in Texas – then and now the country’s most prolific oil- and gas-producing state. The group was first called the Texas Intrastate Natural Gas Association (TINGA), changing its name to the Texas Pipeline Association in 2003.

Today TPA has nearly 40 Board Members who meet quarterly to discuss legislative and regulatory issues at the Texas Legislature, the Congress and a number of state and federal regulatory agencies.

“And we haven’t done it alone,” said Nugent. “We’ve had a lot of help from friends and colleagues along the way.”

TPA has been assisted by James Mann, who was “joined at the hip” with Nugent from the very beginning, providing the legal analysis, negotiation, drafting and testimony for legislation and rulemakings. Other than Nugent, there is no one who has been with TPA longer than Mann over the past 40 years.

TPA has flourished through four decades of evolution, including the shale revolution, horizontal drilling, the development of LNG terminals, the ability to export crude oil and the enormous demand for energy in Texas and the nation. Not only did the demands on the industry grow, but on the Association as well.

To that end, in 2010, TPA hired Thure Cannon as Director of Governmental Relations to help with such burgeoning issues as eminent domain. He replaced Nugent as president in 2012, when Nugent began serving as a consultant until 2019.

Other growth milestones included the hiring of the public relations firm Pure Energy PR in 2013 to help address the increasingly public profile of pipelines in Texas and in the U.S.

In 2020, TPA hired in-house General Counsel Jennifer Coffee, who is vital to advising TPA on legislation, developing policy positions and monitoring legislative activity – particularly crucial during legislative sessions. And in 2019, TPA hired Chief Operating Officer Sheryl Jett to replace the retiring Angie Adams (who was with TPA from the very beginning), adding yet another invaluable asset to the Association.

“TPA is well positioned to meet the many challenges that face the industry today,” said Cannon. “The sturdy base that Pat and others – including our chairmen – have created over the past 40 years will ensure that the interests of Texas pipeline operators are represented legally, legislatively, judicially and in the media well into the future. We are eternally grateful for their efforts, insight and leadership.”



Author, journalist and filmmaker Robert Bryce was the keynote speaker at TPA’s 40th anniversary luncheon on July 12 at the Hyatt Regency Lost Pines Resort and Spa.

EPA REVISES SUBPART W OF THE GREENHOUSE GAS REPORTING PROGRAM

By Don Lewis, Duggins Wren Mann & Romero, LLP

On May 14, the U.S. Environmental Protection Agency (EPA) published amendments to the Petroleum and Natural Gas Systems source category rules (subpart W) of the Greenhouse Gas Reporting Program (GHGRP). The GHGRP requires sources in various industries to report their greenhouse gas emissions if the emission amounts exceed specified thresholds.

These revisions will impact TPA members because subpart W is directly applicable to companies engaged in pipeline transportation of natural gas. Key aspects of the revisions are summarized below.

“OTHER LARGE RELEASE EVENTS”

A new “other large release events” category captures abnormal emission events not accurately accounted for using existing methods in subpart W. The threshold for such an event is 100 kg/hr methane. Events that meet the threshold when simultaneous

emissions from multiple release points that have a common root cause are aggregated must be reported as a single “other large release event.” This source category applies to all types of facilities subject to subpart W. Advanced technologies, such as measurement via aircraft or satellite, may be used to identify and quantify large release events.

THESE REVISIONS WILL IMPACT TPA MEMBERS BECAUSE SUBPART W IS DIRECTLY APPLICABLE TO COMPANIES ENGAGED IN PIPELINE TRANSPORTATION OF NATURAL GAS.

NEW CALCULATION METHODS/DIRECT MEASUREMENT

EPA added and revised calculation methodologies to allow for the use of direct measurement, including for the calculation of emissions from equipment leaks, combustion slip, crankcase

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venting, associated gas, compressors, natural gas pneumatic devices and equipment leaks from components at transmission interconnect metering and regulating stations. EPA also finalized new calculation methodologies to allow for the development of facility-specific emission factors for equipment leaks based on data collected from direct measurement at the facility.

UPDATED EMISSION FACTORS

The revisions update emission factors for natural gas pneumatic devices, equipment leaks from natural gas distribution sources, equipment at onshore petroleum and natural gas production and onshore petroleum and natural gas gathering and boosting facilities, and compressors at onshore petroleum and natural gas production and onshore petroleum and natural gas gathering and boosting facilities.

ADDITIONAL SOURCES REQUIRED TO REPORT

EPA added calculation methodologies and requirements to report greenhouse gas emissions for various new sources, including nitrogen removal units, produced water tanks, mud degassing and crankcase venting. EPA also added requirements to report CO₂, CH₄ and nitrous oxide (N₂O) emissions (as applicable for the source type) from the following sources:

- Onshore petroleum and natural gas production: Blowdown vent stacks;
- Onshore natural gas processing: Natural gas pneumatic device venting, hydrocarbon liquids and produced water storage tank emissions;
- Onshore natural gas transmission compression: Dehydrator vents;
- Underground natural gas storage: Dehydrator vents, blowdown vent stacks, condensate storage tanks;
- LNG storage: Blowdown vent stacks, acid gas removal unit vents;
- LNG import and export equipment: Acid gas removal unit vents;
- Natural gas distribution: Natural gas pneumatic device venting, blowdown vent stacks; and
- Onshore natural gas transmission pipeline: Equipment leaks at transmission company interconnect metering-regulating stations, equipment leaks at farm tap and/or direct sale metering-regulating stations, transmission pipeline equipment leaks.

SITE-LEVEL OR WELL-LEVEL REPORTING

EPA is now requiring reporting of emissions and associated activity data from sources at facilities in the Onshore Petroleum and Natural Gas Production and Onshore Petroleum and Natural Gas Gathering and Boosting industry segments at the site level or well level, rather than at the basin level, sub-basin level or county level.

ONSHORE NATURAL GAS PROCESSING SEGMENT DEFINITION

EPA is revising the Onshore Natural Gas Processing industry segment definition to remove the 25 MMscf per day threshold and more closely align subpart W with the definitions of natural gas processing in other rules (e.g., NSPS 0000a). This revision is intended to better define whether a processing plant is classified as an Onshore Natural Gas Processing facility or as part of an Onshore Petroleum and Natural Gas Gathering and Boosting facility; under the revised provisions, the applicable segment will no longer have the potential to change from one year to the next simply based on facility throughput.

TIMING

Most of the new revisions become effective on Jan. 1, 2025, with reporting companies implementing most of the changes beginning with reports prepared for the 2025 reporting year and submitted March 31, 2026.

The final rule allows for the optional earlier use of new calculation methodologies for facilities that prefer to use them to quantify 2024 emissions. These optional calculation methods became effective July 15, 2024, and give companies the option to use these newly available calculation methods for their RY2024 reports that are submitted March 31, 2025.

NEXT STEPS

EPA plans to solicit input on the use of advanced measurement data and methods in subpart W by issuing a request for information and opening a non-regulatory docket that will include questions and issues on which EPA seeks public input. EPA intends to use that feedback to consider whether it is appropriate to undertake further rulemaking addressing the use of advanced measurement technologies in subpart W.



PREPARING FOR SESSION

By Anne T. Billingsley, ONEOK, Inc.

In preparation for the upcoming 89th Texas Legislature scheduled to begin on Jan. 14, 2025, we note that 2024 has been a year without a single special legislative session. We do hope to keep it that way. Campaign season is in full swing as we work to meet new, potential members who will possibly serve next session. Both Texas Lt. Gov. Dan Patrick and Speaker of the House Dade Phelan (R-Beaumont) have issued interim charges for the House and Senate Committees to work on leading into the next legislative session.

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We are closely monitoring several interim charges, including those involving electricity market design, the Texas Energy Fund, innovative power generation, transmission services (Permian specific) and managing the growth of Texas with the current state of ERCOT's grid.

On the House side, there is a [State Affairs Committee hearing scheduled on July 31](#) to take up such issues as electricity, grid reliability, market design and transmission services. The chairman of the House Energy Resources Committee is running for a congressional seat and most charges related to anything oil and natural gas fell under the House Committee on State Affairs. The Ways & Means Committee will be looking at the progress on HB 5 (Chapter 313 expired tax abatement program). The new Texas Jobs, Energy, Technology and Innovation Act (JETI) relates to agreements authorizing a limitation on taxable value of certain property to provide for the creation of jobs and the generation of state and local tax revenue, authorizing fees and penalties.

In the spring, Speaker Phelan announced the creation of a select committee to examine the impacts to Texas of the Biden Administration's temporary pause on export permits for liquefied natural gas (LNG). The five-member House Select Committee on Protecting Texas LNG Exports is tasked with analyzing the federal government's legal authority to take such action; assessing the potential economic, environmental and social impacts on the state; identifying strategies to mitigate negative consequences on the LNG industry, the state's energy sector and Texas economy; and making recommendations to address the challenges posed by a federal suspension. The committee met in Port Arthur in early May to meet on the charges put before it; its report can be found at [Interim Report to the Eighty-Ninth Texas Legislature; House Select Committee on Protecting Texas LNG Exports](#).



FORMER TPA PR JOINS RAILROAD COMMISSION

Christian Goff has been named as the Director of Public Affairs for the Railroad Commission of Texas, after running the communications firm Pure Energy PR for the past 16 years. She worked with TPA for nearly a decade to help it successfully navigate its communications program.

Before founding Pure Energy, Goff served as vice president of corporate affairs at the Austin office of Cohn & Wolfe Read-Poland (currently Burson), an international public relations firm. Prior to that, she served as a public affairs specialist for Marathon Oil Corporation in Houston, Texas and, before that, worked for Edelman Public Relations Worldwide, the world's largest independent public relations firm. She began her love of public affairs and the legislative process while working as an aide to Texas State Sen. Don Henderson.

INDUSTRY NEWS

U.S. SUPREME COURT DECISION ON STATUTE OF LIMITATIONS APPLICABLE TO CHALLENGES TO AGENCY ACTION



On July 1, the U.S. Supreme Court issued an opinion of interest to those affected by regulations issued by federal agencies. Like an earlier decision overruling Chevron deference, this decision will help plaintiffs hoping to overturn agency rules. The Court held that the statute of limitations for challenging an agency rule under the Administrative Procedure Act starts to run when the plaintiff is harmed by the application of the rule at issue, rather than when the rule is published. This will provide a longer time window within which to bring a challenge to an agency rule in some cases. The Court summarized its ruling as follows: "The default statute of limitations for suits against the United States requires 'the complaint [to be] filed within six years after the right of action first accrues.' 28 U. S. C. §2401(a). We must decide when a claim brought under the Administrative Procedure Act (APA) 'accrues' for purposes of this provision. The answer is straightforward. A claim accrues when the plaintiff has the right to assert it in court – and in the case of the APA, that is when the plaintiff is injured by final agency action."

The decision can be accessed at [Corner Post, Inc., v. Board of Governors of the Federal Reserve System](#).

INDUSTRY NEWS

TEXAS CREATES NEW COURT OF APPEALS; GOVERNOR APPOINTS INAUGURAL MEMBERS



Gov. Greg Abbott has announced his inaugural appointments to the new Fifteenth Court of Appeals, which was created last year to have exclusive intermediate appellate jurisdiction over appeals involving disputes

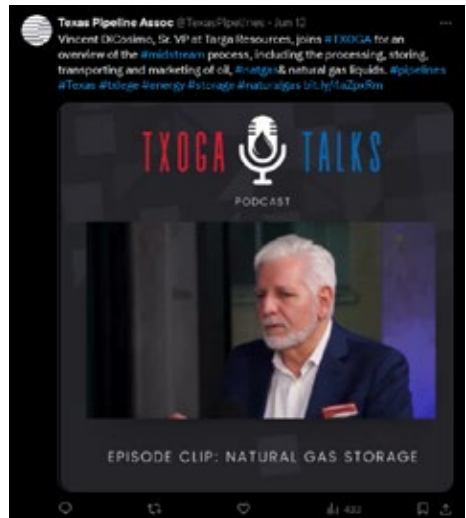
brought by or against the state and its officers and challenges to the constitutionality of a state statute. It will also have exclusive jurisdiction to review judgments from Texas' business courts.

The Governor has appointed Scott A. Brister as Chief Justice, Place 1, Scott K. Field, Place 2, and April L. Farris, Place 3, to the Fifteenth Court of Appeals, effective Sept. 1, 2024, for terms set to expire on Dec. 31, 2026, or until their successors shall be duly elected and qualified.

“This new court is important to TPA because it will hear all cases that go before regulatory agencies and also appeals through the business courts,” said TPA attorney James Mann. “Its decisions will have important ramifications for the Association’s members.” For more information and the bios of his appointees, visit the [Governor’s announcement](#).

SHARE THIS!

HELP SPREAD THE WORD. IF YOU'RE ON X (FORMERLY TWITTER). PLEASE TAKE A FEW MINUTES TO SHARE THESE PRO-INDUSTRY TWEETS.



“Here in Texas, we are blessed with a regulatory regime that allows for an effective and efficient permitting process that encourages the building of critical infrastructure based on industry supply and demand.

“We have a state where we can spur industrial growth and economic development, while also reducing emissions and protecting the environment.”

Thure Cannon, TPA President,
in the *Midland Reporter-Telegram*

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Jamie Welch

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Paul Williams

ARM Energy

TPA 2024/25 BOARD MEETINGS

Thursday, October 10, 2024 Plano, Atmos' Vaughan Center

Friday, January 10, 2025 Houston, C. Baldwin

Thursday, April 10, 2025 Austin, AT&T Conference Center

2024 NEW MEMBERS



Welcome
Woodway Energy Infrastructure, LLC

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Allison Newsum, [Graphic Designer](#)

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