

Natural Gas STAR Methane Challenge Program Update

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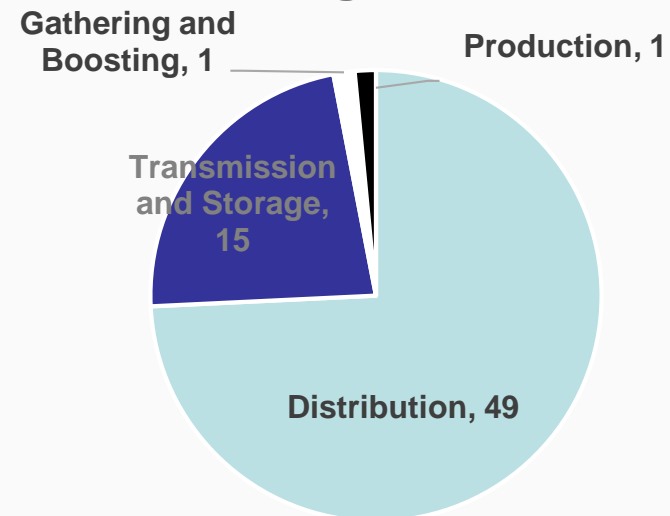
*ONE Future Methane & Climate Strategies Event
Houston, TX
May 15, 2018*

Natural Gas STAR Methane Challenge Program Overview



- **Methane Challenge expands the Natural Gas STAR Program**
 - Specific, ambitious commitments
 - Transparent reporting
 - Company-level recognition of commitments and progress
- **Two commitment options for enhanced flexibility:**
 - Best Management Practice (BMP) Commitment
 - ONE Future Emissions Intensity Commitment
- **Sector coverage:**
 - Onshore oil production
 - Entire natural gas value chain from onshore production through distribution
- **Currently 52 BMP partners and 4 ONE Future partners**

Methane Challenge Partners by Industry Segment



Natural Gas STAR Methane Challenge Reporting Overview

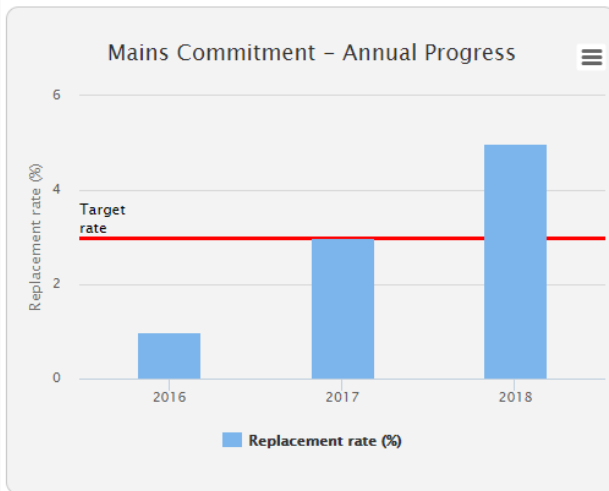


- Sandbox Testing for full partnership (Sept – Oct 2017)
- BMP Commitment Option Pilot Reporting (Nov 2017 – Feb 2018)
 - Purpose: to test processes of data collection, data assimilation, and annual report development from seven volunteer parent companies
 - Incorporated feedback from reporting system Sandbox Testing
 - Feedback: pilot reporters found the report submission process to be user-friendly; few technical bugs in the forms/e-GGRT module were encountered
- Information Collection Request
 - Second Federal Register Notice published April 12, 2018
 - 30 day public comment period
 - Office of Management & Budget review / approval pending

Natural Gas STAR Methane Challenge Pilot Reporter Partner Profiles



Progress Toward Achieving Methane Challenge Program Commitments



Mains - Cast Iron & Unprotected Steel

For more information about this source, see the [BMP Commitment Option reference page](#)

Segment: Distribution

Target Replacement Rate: 3%

Target Year: 2018

Current Replacement Rate: 5%

First Year Target Rate Achieved: 2017

Test Company has implemented this commitment by replacing their cast iron and unprotected steel mains with plastic mains and rehabilitating cast iron mains with plastic pipe inserts.

Graph shows: Test Company's annual progress towards achieving, and maintaining, their target rate of replacing 3% of their cast iron and unprotected steel mains annually

Partner Reductions

Since joining the Methane Challenge program, Test Company has achieved the following methane emissions reductions, which are also expressed in terms of carbon dioxide equivalent and the value of the amount of natural gas saved.

Methane Emissions Reductions

400 metric tons of CH₄

Carbon Dioxide Equivalent

10,000 metric tons of CO₂ equivalent

Natural Gas Savings

\$62,000 of natural gas saved*

*Natural gas savings assumes a natural gas price of \$3.00 per thousand cubic feet, based on the average of daily Henry Hub Natural Gas Spot Prices in 2016, rounded to the nearest dollar

Natural Gas STAR Methane Challenge

ONE Future Reporting



- ONE Future Commitment Option Reporting
 - Reporting will provide complete picture of emissions and activities and highlight emission reductions achieved
 - Electronic reporting is being finalized:
 - Reporting form development (~ two-thirds of sources have been proposed to be finalized)
 - e-GGRT programming in progress
 - Sandbox Testing to be conducted Summer 2018

Natural Gas STAR Methane Challenge Additional Program Updates



- Mechanism for Evaluating New and Innovative Approaches to Methane Mitigation for the Methane Challenge Program
 - As referenced during the launch of the program, EPA intended to create opportunity for evaluating new and innovative technologies, approaches, and BMPs through a “Continuous Improvement Mechanism”
 - A draft framework is under stakeholder review
- Natural Gas STAR Program Reporting is open
 - Reports due June 15, 2018
- Transmission/Storage Tech Transfer Workshop
 - June 7, 2018 – Glen Allen, VA
- Methane Challenge Reporting Webinar (Summer 2018)

Thank you!



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EPA Natural Gas STAR Program:

<https://www.epa.gov/natural-gas-star-program>