



# *Small Operator Perspectives*

*PHMSA Grant Program, RIN2, Section 114 & SHRIMP*

*Erin Kurilla, VP of Operations & Safety, APGA*

# Things I'm going to attempt to cover..

- PHMSA Safety & Modernization Grant Program

*What you should know*

- RIN2

*Quick Takes*

- 3<sup>rd</sup> Edition of API RP 1162

*Finally!*

- Section 114

*Where are we?*

- SHRIMP 4.0

*Status Update*

# PHMSA Grant Program: Overview

- Limited to publicly, municipally, community owned natural gas distribution systems
- \$1 Billion over 5 Years (\$200 million /year)
- When reviewing applications, PHMSA must consider:
  1. The risk profile of the existing pipeline system operated by the applicant for this grant, including the presence of pipe prone to leakage;
  2. The potential of the pipeline project for creating jobs;
  3. The potential for benefiting disadvantaged rural and urban communities; and
  4. Economic impact or growth.
- 2022 NOFO closed August 8, 2022

# Example Projects

- Pipe Replacement
  - Cast Iron, Aldyl-A, Unprotected Bare steel, Unknown coatings, Copper Services, Coupled Pipe, etc.
- Asset Replacement
  - Risers prone to Atmospheric Corrosion, Aging M&R Stations, Moving valve sets out of valve boxes, etc.
- Equipment Purchases
  - Leak Detection & leak identification equipment, methane emission mitigation technologies

# Things for operators to consider...

- Environmental
  - NEPA
- Cyber Security
  - TSA Cybersecurity Guidelines
- Procurement
  - Buy American
- Financial
  - PHMSA Audit or Single Audit
  - Davis Bacon / Prevailing Wage

- Personnel
  - Title VI



# Estimated Timeline

**August 8, 2022**

2022  
Applications  
Due

**October 2022**

Tier 2  
Environmental  
Questionnaire  
Process

**February 2023**

2023 NOFO  
Publishes

**August – September 2022**

PHMSA will review  
applications & announce  
projects that are  
provisionally selected

**November  
2022**

2022 Notice of  
Grant  
Agreement  
Execution

# PHMSA is Listening...

- Timeline

36 months  60 months

- Maximum Award / Year

\$25 M / year  \$45 M/year

- Deadline Extension

July 25, 2022  August 8, 2022

- FAQs / Webinars

- PHMSA has participated in 3 APGA webinars, is attending the APGA Ops Conference, and answered over 150 FAQs

# Resources

## PHMSA Webpage

<https://www.phmsa.dot.gov/grants/pipeline/natural-gas-distribution-infrastructure-safety-and-modernization-grants>

## APGA Webpage

<https://apga.org/resources/phmsa-grant>



# Gas Transmission Rule #2

- **Definition of Distribution Center**

*Distribution center* means the initial point where gas enters piping used primarily to deliver gas to customers who purchase it for consumption, as opposed to customers who purchase it for resale, for example:

- (1) at a metering location;
- (2) a pressure reduction location; or
- (3) where there is a reduction in the volume of gas, such as a lateral off a transmission line

- **Management of Change**

- All Transmission Pipelines

- **Traceable, Verifiable, Complete**

- Expansion beyond MAOP calcs to remaining strength, etc.

# 3<sup>rd</sup> Edition API RP 1162

- Recommended Practice not a regulatory requirement
- Lots of good stuff!
  - Use of mass media for baseline messages
  - Collaboration
    - Message Delivery
    - Effectiveness Measurement
    -



# Section 114

In deciding the adequacy of a plan, the Secretary or authority shall consider -

- (A) relevant available pipeline safety information;
- (B) the appropriateness of the plan for the particular kind of pipeline transportation or facility;
- (C) the reasonableness of the plan; and
- (D) the extent to which the plan will contribute to –
  - (i) public safety
  - (ii) eliminating hazardous leaks and minimizing releases of natural gas from pipeline facilities;**
  - and
  - (iii) the protection of the environment; and
- (E) the extent to which the plan addresses the replacement or remediation of pipelines that are known to leak based on the material (including cast iron, unprotected steel, wrought iron, and historic plastics with known issues), design, or past operating and maintenance history of the pipeline.**

# Section 114



*"Are we in complete agreement, then?"*

Providing guidance to operators is tricky...

# Section 114

- Have conversations with your state regulator
- Review the PHMSA Section 114 Inspection Questions
- What are you already doing?
- What else does it make sense for you to do.....

... the extent to which the plan will contribute to – **eliminating hazardous leaks and minimizing releases of natural gas from pipeline facilities;**

# APGA Security & Integrity Foundation



# SHRIMP 4.0

- ▣ Same...
  - Process Flow
  - Interview Questions
  - Risk Algorithm
- ▣ New...
  - Data storage platform
  - User Interface

ANY CHANGE,  
EVEN A CHANGE FOR  
THE BETTER,  
IS ALWAYS  
ACCOMPANIED BY  
DRAWBACKS AND  
DISCOMFORTS

ARNOLD BENNETT

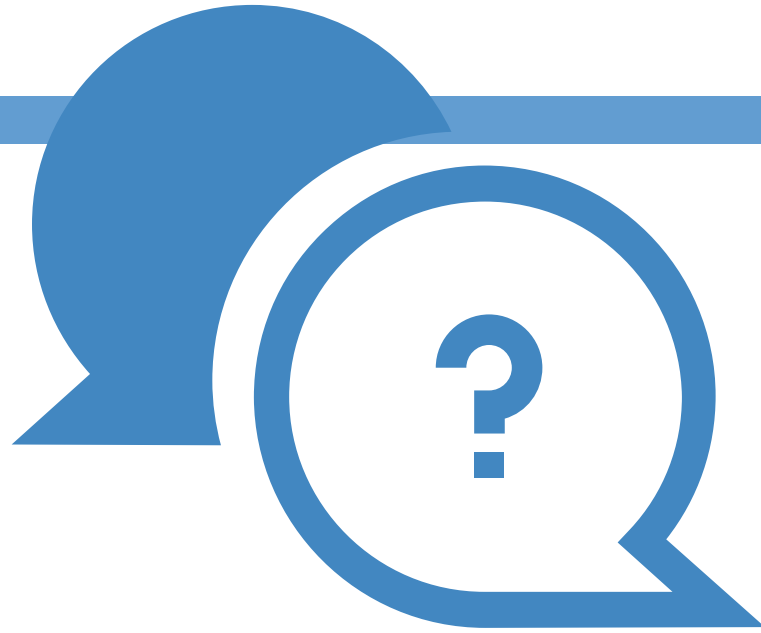
# SHRIMP – Future Project(s)

- ▣ 2022/2023
  - More interaction between SHRIMP & Users
    - Email Reminders about identified Additional / Accelerated Actions
    - Performance Measure Tracking, etc.
  - Threat Interviews & Risk Algorithm
    - Review & Update As Needed



# Questions?

---



*Thank you for your time today!*

Erin Kurilla [ekurilla@apga.org](mailto:ekurilla@apga.org)