STATES FIRST INITIATIVE

UNDERGROUND GAS STORAGE

REGULATORY CONSIDERATIONS

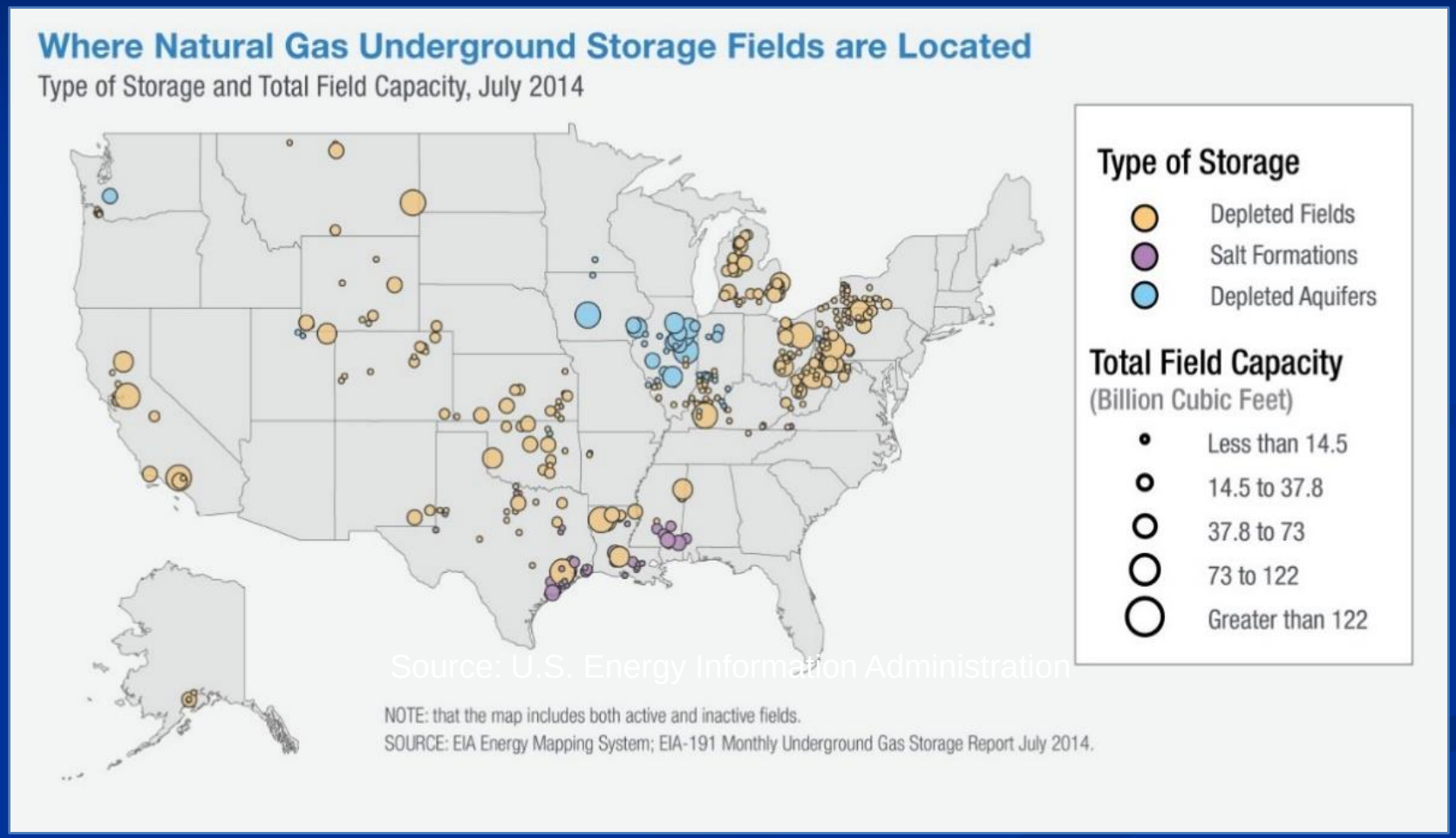
Rick Simmers
Ohio DNR

Hal Fitch
Michigan DEQ

Where did it start?

Aliso Canyon, October, 2015

U.S. Storage Fields



Source: U.S. Energy Information Administration

Development of Task Force and Report

- February 2016 – Task Force Concept Paper
- March 9, 2016 – Organizational meeting
- March 2016 – Invitation to States
- April 2016 – Task Force members and contributors identified
- Worked with PHMSA throughout process
- May 17, 2016 – First Task Force meeting - at IOGCC Business Meeting
- Meetings and weekly conference calls followed
- July 2016 – Interagency Task Force on Natural Gas Storage Safety
- Final Report – May 2017

Meanwhile:

- IOGCC and GWPC adopted Resolutions supporting state regulation of gas storage
- Congress passed Protecting Our Infrastructure of Pipelines and Enhancing Safety Act (“PIPES”) directing PHMSA to promulgate federal rules
- PHMSA promulgated Interim Final Rule on Gas Storage

IOGCC & GWPC Resolutions

- October 4, 2016 – IOGCC adopted Resolution 16.052 "Supporting State Regulatory Programs for Gas Storage Well Safety"
  - Update of 2011 Resolution
  - Supports clarifying federal legislation that embraces federal and state partnerships and allows for natural gas storage wells to be regulated under state authority.
- GWPC adopted similar Resolution, September 2016.

PIPES Act

- Signed June 22, 2016
- Requires PHMSA to set federal minimum safety standards and allows states to exceed those standards for intrastate facilities.

PHMSA IFR

- “Safety of Underground Natural Gas Storage Facilities”
- Effective January 18, 2017
- Requires compliance by January 18, 2018

IFR Adopts API RPs 1170 & 1171

energy API

AMERICAN PETROLEUM INSTITUTE

API Recommended Practice 1170

Design and Operation of Solution-mined Salt Caverns Used for Natural Gas Storage

FIRST EDITION | JULY 2015 | 87 PAGES | $120.00 | PRODUCT NO. D117001

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AMERICAN PETROLEUM INSTITUTE

API Recommended Practice 1171

Functional Integrity of Natural Gas Storage in Depleted Hydrocarbon Reservoirs and Aquifer Reservoirs

FIRST EDITION | SEPTEMBER 2015 | 52 PAGES | $120.00 | PRODUCT NO. D117101

Final StatesFirst Report

REPORT OUTLINE

- Regulatory Framework
- Risk Management
- State Permitting
- Well Drilling & Construction
- Well Integrity Testing
- Reservoir Integrity
- Well Operations and Maintenance
- Monitoring & Observation Wells
- Wellhead & Surface Facilities
- Emergency Response Planning
- Well Abandonment

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QUESTIONS?

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