



MAY 2009 eBrief Print Version

Headlines

LEGISLATIVE & REGULATORY AFFAIRS NEWS

- [GPA Pursues Legislation Changes to Protect Midstream Interests](#)
- [GPA Eyeing FERC "Cease and Desist" Interests](#)
- [GPA Develops Comments on EPA-proposed Greenhouse Gas Reporting Rule](#)
- [EPA Proposal Targets All Existing Stationary Engines](#)
- [Search Has Begun for New Director, Government Affairs](#)

[New GPA Mission Statement to be presented to the GPA Board in June](#)

[GPA Finance Committee Appointments](#)

[Register Today for GPA's School of Gas Chromatography](#)

[GPA Announces New Environmental Excellence Award; Applications Now Open](#)

[GPA Call For Papers](#)

CHAPTER NEWS

- [Rocky Mountain GPA Holds Successful Training](#)
- [Houston GPA Chapter Elects/Reappoints Officers and Directors for 2009-2010](#)
- [MidContinent GPA Scholarship Recipients \(\\$5,000 each\)](#)
- [Permian Basin GPA Scholarship Recipients \(\\$3,000 each\)](#)

TECH TALK

- [Mark Your Calendars for the Fall Technical Committee Meeting](#)
- [New Section M Vice Chair](#)
- [New ONEOK Technical Committee Representative](#)

[Important Tip for Ordering GPA Publications](#)

[Passing of Bruce Withers](#)

[Passing of Oscar Barron](#)

[GPA/GPSA Career Center Job Postings](#)

[GPA/GPSA Calendar](#)

LEGISLATIVE & REGULATORY AFFAIRS NEWS

For additional information on topics below or to get involved in GPA's legislative and regulatory activities, please contact Johnny Dreyer, GPA Director, Industry Affairs: jdreyer@GPAGlobal.org.

GPA Pursues Legislation Changes to Protect Midstream Interests

The House Energy and Commerce Committee passed the Waxman (D-CA) "American Clean Energy and Security Act of 2009" (HR 2434) global climate change bill on May 21 with a 33 to 25 vote. Title III of the discussion draft amended the Clean Air Act by adding the new Title VII -- Global Warming Pollution Reduction Program. This new title seeks to establish a hard cap on U.S. greenhouse gas (GHG) emissions and reduce them by 83 percent of 2005 levels by 2050. The cap and reduction schedule would apply only to covered entities, whose emissions represent approximately 85 percent of all U.S. GHG emissions.

Through concentrated GPA efforts, it appears that congressional staff has recognized GPA's concern about placing the point of regulation at the gas processing stage. Unlike previous versions, gas processing is no longer the point

of regulation for the downstream combustion of all natural gas liquids (NGLs). Rather, the definition of NGLs has been narrowed to apply only to NGLs ready for commercial sale or use, and the owner of the NGLs that are ready for commercial sale or use will be the party responsible for acquiring the allowances.

Although not the perfect solution for all GPA members, the revised draft is an improvement and should minimize confusion with respect to reporting obligations and identifying the responsible party for purposes of holding allowances. GPA's work group and Hunton and Williams (representing GPA in Washington) have diligently and effectively minimized the impact to GPA members and the midstream industry in general. We will continue working with congressional staffs for additional clarification, confirmation of our conclusions and potential language changes.

GPA continues pursuing changes to protect midstream interests on the entire process, and the major issues identified are: clarifying "Ready for Commercial Sale or Use," deferring compliance date to 2016 and allocation of allowances.

The process continues, as several other committees in the House will seek to exercise their jurisdiction over some aspect of the Waxman bill. The Senate has not begun to consider its own climate change legislation this session but has indicated it may turn to this issue in the fall of 2009 after the House completes its floor activity.

GPA will keep you apprised of the progress on this issue.

GPA Eyeing FERC "Cease and Desist" Interests

GPA is closely monitoring two legislative activities that expand the Federal Energy Regulatory Commission (FERC) authority to issue a "cease and desist" order for any violation or threatened violation of any provision of the Natural Gas Act, the Natural Gas Policy Act of 1978 and the Federal Power Act without notice, hearing or direct and immediate judicial review. The two legislative activities are:

- An amendment filed by Congressman Bart Stupak (D-MI) (Stupak Amendment) to "American Clean Energy and Security Act of 2009" (H.R. 2434) global climate change bill that passed on May 21 with a 33 to 25 vote in the House Committee on Energy and Commerce
- "Natural Gas and Electricity Review and Enforcement Act," (S. 672) sponsored by Senator Cantwell

These activities could empower FERC to freeze the assets of a company under investigation for violations of market manipulation rules, also without notice, hearing or direct and immediate judicial review. It could provide for the extraordinary power to suspend rates, terms and conditions already on file with FERC, also without notice, hearing or direct and immediate judicial review.

GPA members believe these activities are overly broad, ignore the regulatory authority that FERC currently possesses and could have a destabilizing effect on otherwise well-functioning, regulated energy markets.

GPA Develops Comments on EPA-proposed Greenhouse Gas Reporting Rule

Under the Omnibus Appropriation Bill (HR 2764), December 2007, EPA was charged with proposing and promulgating a rule to require mandatory reporting of GHG emissions above appropriate thresholds in all sectors of the U.S. economy and to have completed the proposed rulemaking by September 2008, with a final rulemaking by June 2009.

GPA is developing extensive comments (due June 9) within a newly organized GHG Reporting Rule Workgroup (from the Environmental Subcommittee). This issue will be discussed in great detail in the June 10 Environmental subcommittee meeting and the June 18 EHS and LARAC meetings.

EPA Proposal Targets All Existing Stationary Engines

A workgroup of the Environmental Subcommittee has developed comments on a regulation that will have a major financial impact on GPA member companies because it addresses all types of stationary engines, regardless of fuel type, application or location.

The EPA proposed revisions to the Reciprocating Internal Combustion Engine (RICE) National Emission Standard for Hazardous Air Pollutants (NESHAP) on March 5, and the proposed revisions primarily address existing stationary engines and would affect engines at facilities throughout the United States, regardless of facility size.

The Interstate Natural Gas Association of America estimates that this rule would likely affect more equipment and more diverse source types than any other stationary source emission standard ever adopted by EPA. The rule will affect both "high use" engines and emergency engines that run infrequently.

This issue will be discussed in great detail during the June 10 Environmental Subcommittee meeting and the June 18 EHS and LARAC meetings.

Search Has Begun for New Director, Government Affairs

GPA has begun interviewing candidates for its open position of Director, Government Affairs. Stuart McCalman, who formerly held that position, resigned in mid-April after he accepted a similar role working in the mayor's office for the city of Tulsa, Okla. The responsibilities of that position have continued with Johnny Dreyer and other GPA staff members stepping in and continuing to work closely with Hunton & Williams in Washington, D.C.

New GPA Mission Statement to be presented to the GPA Board in June

Led by president-elect Alan Armstrong, Williams Midstream, the GPA Restructure Strategic Task Force has finalized its recommendation to revise GPA's current Mission Statement. The group's recommendation has been approved by the GPA Executive and Finance Committees and will be presented to the GPA Board for approval at its upcoming meeting June 19 in Santa Fe, NM. The recommended revised Mission Statement is as follows:

We are the primary advocates for a sustainable Midstream Industry focused on enhancing the viability of natural gas and natural gas liquids. We provide local, regional and global forums to develop standards, conduct industry research, educate our workforce and improve operational safety. As advocates, we work with legislators and regulators to promote a safe and viable Midstream Industry.

GPA's current mission statement was developed several years ago in a strategic planning effort led by Steve Furbacher, Dynegy, and Pat Meyer, Conoco. View the current [GPA Mission Statement](#)

Armstrong's task force is also looking at updating the GPA bylaws and dues structure. More on this effort will be reported to the Board in June.

GPA Finance Committee Appointments

In the GPA Convention wrap-up, it was reported that the membership re-elected all current GPA officers (Bob Dunn, Prism Gas Systems, president; Alan Armstrong, Williams Midstream, president-elect; Jean Leger, Enogex, vice president; Bill Ordemann, Enterprise, vice president; and Tim O'Sullivan, SemGas, vice president) for a second, one-year term. Following the March meeting, Dunn reappointed Mary Ann Pearce, ConocoPhillips; Mike Heim, Targa Resources; and Rick Cargile, DCP Midstream, to serve another term on the Finance Committee. In addition, Terry Spencer, ONEOK Partners, agreed to serve on the committee. We appreciate the participation of these individuals and their companies' support of GPA activities.

Register Today for GPA's School of Gas Chromatography

GPA's School of Gas Chromatography covers basic gas and gas liquid chromatography, with an introduction to extended analysis and chromatographs. The school will be conducted Aug. 10-14 at the University of Tulsa (Okla.), and registration for the class of 2009 is open. Registration for GPA and GPSA members costs \$475 per person (\$725 for non-members) if you register by the July 17 deadline. Please note that this school has sold out four of the past six years, so be sure to register early. Download the registration form: <http://www.gpaglobal.org/pdf/ChromoReqForm09.pdf>. Contact Judy London, jlondon@GPAglobal.org, or Kenny Wheat, kwheat@GPAglobal.org, with questions or for additional information.

GPA Announces New Environmental Excellence Award; Applications Now Open

GPA's new Environmental Excellence Award is a project-based award created to honor companies' achievements in energy conservation and environmental support. Winners will be recognized each year at the GPA Convention, where they will be able to demonstrate their projects so that other member companies may benefit. Award categories are identical to the safety award structure based on workhours, and the self-nomination process is now open for companies to be considered for the 2010 award recognition. Complete details, along with the application form, are available at www.GPAglobal.org/award_env_excellence.php. The application deadline is Sept. 1.

GPA Call For Papers

GPA invites you to share your expertise with more than 1,500 industry peers at the 2010 GPA Convention, the

premier midstream industry event bringing professionals together each year to meet, share and learn. The 89th annual GPA Convention will be held in Austin, Texas, March 21-24, 2010.

SUBMITTING AN ABSTRACT

All authors who send a 200-250 word abstract to GPA by **Sept. 1, 2009**, will be considered as a potential presenter at next year's Convention. Abstracts submitted early will be given priority consideration. Presentations will cover topics in **gas processing, gas gathering, fractionation, storage and transportation**. For those with pertinent papers not matching the descriptions below, we encourage you to go ahead and send in your abstract by the deadline for consideration.

REQUESTED TOPICS

- International developments
- Legislative and regulatory impacts
- Safety
- Product quality and specifications
- Operational and maintenance issues
- Business issues
- Technical developments
- Marketing and downstream issues
- Applications of thermodynamics and phase equilibria
- Shared practices
- LNG
- Computer technology

E-mail your abstract to Johnny Dreyer for consideration.: jdreyer@GPAglobal.org.

CHAPTER NEWS

Rocky Mountain GPA Holds Successful Training

Congratulations to Rocky Mountain GPA for an outstanding turnout at its one-day short course detailing the basics of NGL recovery. The chapter started off with a single class planned for an attendance of about 30, but high interest caused an extra class to be added, and each class size had to be increased to accommodate 50 attendees. Luckily, the chapter was able to make room for a few extras who showed up at the gate, too. Well done, Rocky Mountain GPA.

Houston GPA Chapter Elects/Reappoints Officers and Directors for 2009-2010

Chairman - Ron Gist, Purvin & Gertz
Vice Chairman - Bill Vautrain, Murphy Exploration & Production
Treasurer - Julie DeWees, BP America
Secretary - Lynda Duffy, Babcock & Eagleton Engineering
Scholarship Chairman - David Street, Natco Group

Board of Directors:

One-Year Term

Diana Yee, Enterprise Products
John Thompson, Zephyr Gas Services
Mike Horvath, Propane Market Strategy Letter

Two-Year Term

Warren True, Oil & Gas Journal
David Mirdadian, Natco Group
Chris Coxon, DCP Midstream

Three-Year Term

Jason Tanous, PSI Midstream
Ralph Neumann, Ceritas Energy
Kyle Kubin, Targa Midstream

MidContinent GPA Scholarship Recipients (\$5,000 each)

- Oklahoma State University - Manny Cortez
- University of Tulsa - Sarah Seing
- University of Oklahoma - Joseph Nick Jr.

Permian Basin GPA Scholarship Recipients (\$3,000 each)

- New Mexico Tech - Caitlin Allen
 - New Mexico State University - Yessenia Sanchez and Jonathan Height
 - Texas Tech University - Eren Palmer and Sean Trotter
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TECH TALK

Mark Your Calendars for the Fall Technical Committee Meeting

The next meeting of the GPA Technical Committee and its sections is set for October 7-8 at the Wyndham, Dallas Love Field Hotel. More information will be available closer to the meeting dates.

New Section M Vice Chair - Dena Lund, EnCana

New ONEOK Technical Committee Representative

Scott Schingen, ONEOK, has joined GPA's Technical Committee. We still have several member companies that are not represented on this committee, and we welcome additional company representatives. A diverse committee makeup leads to additional ideas and contributions that will benefit the work of this committee and its contributions to the midstream industry. If you are interested in joining, contact Kenny Wheat, kwheat@GPAglobal.org.

Important Tip for Ordering GPA Publications

It is important for GPA and GPSA members to log in BEFORE browsing or ordering publications. When you log in, the system recognizes you as a member company employee, grants you access to the "Members Only" section and offers you discounts on most publications. Should you need your company's login information, please call or email Judy London, jlondon@GPAglobal.org.

Passing of Bruce Withers

Bruce Withers, industry leader and GPA Hanlon Award recipient, passed on April 13. Withers was a forceful and effective leader in GPA activities. He served as Vice Chair and Chair of GPA Technical Section H; Vice Chair and Chair of the Technical Committee; Vice President, President-Elect and GPA President from 1983-1984.

In 1990, then-president Bill Cepica presented Mr. Withers with the GPA Hanlon Award, saying, "Bruce typifies the aggressive and innovative leadership that is essential in today's gas processing industry. He is the industry's most vocal, most energetic and most persistent spokesman for the advancement of our industry."

Passing of Oscar Barron

Oscar Barron, ardent advocate of training programs for operating and maintenance personnel, and for new engineers, passed on April 25. Barron spent virtually his entire professional career in the design, engineering, and operation of natural gas production and processing facilities.

He was a passionate proponent of increased and intensive research into light hydrocarbon behavior, both in his company and through GPA research programs. As GPA director and president during 1990-1991, his continuing guidance of GPA research has been instrumental in directing our efforts to provide classic data for the real needs of the real gas processing world. He served on the GPA Board from 1988-1992. He served as Vice President, President-Elect and GPA President from 1990-1991. He received the Citation for Service Award in 1993.

GPA/GPSA Career Center Job Postings

The following opportunities are currently listed at <http://careers.gasprocessors.com>.

DOT Pipeline Safety & Training Specialist, Quicksilver Resources

GPA/GPSA Calendar

For event location and additional details about meetings listed below, visit: www.GPAglobal.org/calendar.php

GPA/GPSA Calendar

June

- 10** - Rocky Mountain GPA Luncheon Meeting
- 11** - Rocky Mountain GPA Golf Tournament
- 17** - GPAC 2009 Northern Committee 21st Annual Golf Tournament

17-19 - GPA/GPSA Summer Board Meetings

July

15-16 - GPA Chapter Leadership Meeting

September

9 - Rocky Mountain GPA Annual Meeting

October

13 - Houston GPA Annual Meeting and Scholarship Golf Tournament

November

5 - North Texas GPA Annual Meeting

March 2010

21-24 - 89th Annual GPA Convention

Gas Processors Association

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