

**STATE OF NEW MEXICO
BEFORE THE ENVIRONMENTAL IMPROVEMENT BOARD**

IN THE MATTER OF:

PROPOSED NEW REGULATION

No. EIB 21-27 (R)

20.2.50 Oil and Gas Sector – Ozone Precursor Pollutants

Hearing Date: September 20, 2021-October 1, 2021

NOTICE OF JOINT PROPOSAL REGARDING SUR-REBUTTAL TESTIMONY OF KINDER MORGAN, INC. AND ITS SUBSIDIARIES AND AFFILIATES, EL PASO NATURAL GAS COMPANY, L.L.C., TRANSCOLORADO GAS TRANSMISSION CO., LLC, AND NATURAL GAS PIPELINE COMPANY OF AMERICA, LLC AND ENVIRONMENTAL DEFENSE FUND

Based on a recent agreement between Kinder Morgan, Inc. and its subsidiaries and affiliates, El Paso Natural Gas Company, L.L.C., TransColorado Gas Transmission Co., LLC, and Natural Gas Pipeline Company of America, LLC (collectively, “Kinder Morgan”) and the Environmental Defense Fund (“EDF”) on one issue arising under the proposed 20.2.50.116 NMAC (Equipment Leaks and Fugitive Emissions), Kinder Morgan and EDF hereby file this joint proposal that each party will present in its respective sur-rebuttal testimony (the “Joint Proposal”).

Kinder Morgan and EDF propose that, for the frequency of monitoring under Paragraph (3) of Subsection C of 20.2.50.116 NMAC, transmission compressor stations, regardless of potential to emit, should be afforded two compliance options: (1) conduct quarterly monitoring, or (2) comply with equipment leak and fugitive emissions monitoring requirements set out in federal New Source Performance Standards (“NSPS”) so long as such standards are at least as stringent as the NSPS OOOOa, 40 C.F.R. Part 60, in the form in existence on the effective date of Part 50. The Joint Proposal responds to the New Mexico Environment Department’s (the “Department’s”) testimony, and reflects the efforts of Kinder Morgan and EDF to reach resolution on this important

issue. The Joint Proposal addresses the concerns of environmental groups, reflects the unique nature of transmission operations, and provides a mechanism to eliminate competing state and federal equipment leak and fugitive emissions monitoring requirements for transmission compressor stations.

To this end, as related to the treatment of transmission compressor stations, Kinder Morgan and EDF have agreed to the following revision to Paragraph (3) of Subsection C of 20.2.50.116 NMAC, as set out in the Department's September 16 draft:

(3) The owner or operator of the following facilities shall conduct an inspection using U.S. EPA method 21 or optical gas imaging (OGI) of thief hatches, closed vent systems, pumps, compressors, pressure relief devices, open-ended valves or lines, valves, flanges, connectors, piping, and associated equipment to identify leaking components at a frequency determined according to the following schedules, and upon request by the department for good cause shown:

(a) for existing well sites or tank battery facilities constructed prior to the effective date of this Part, the owner or operator shall comply with these requirements within two years of the effective date of this Part.

(b) for well sites or tank battery facilities:

(i) annually at facilities with a PTE less than two tpy VOC;

(ii) semi-annually at facilities with a PTE equal to or greater than two tpy and less than five tpy VOC; and

(iii) quarterly at facilities with a PTE equal to or greater than five tpy VOC.

(c) for gathering and boosting stations; and natural gas processing plants; ~~and transmission compressor stations:~~

(i) quarterly at facilities with a PTE less than 25 tpy VOC; and

(ii) monthly at facilities with a PTE equal to or greater than 25 tpy VOC.

(d) quarterly at transmission compressor stations, or in compliance with the federal equipment leak and fugitive emissions monitoring requirements of New Source Performance Standards, 40 C.F.R. Part 60, as may be revised, so long as such federal equipment leak and fugitive emissions monitoring requirements are at least as stringent as the New Source Performance Standards OOOOa, 40 C.F.R. Part 60, in existence as of the effective date of this Part 50.

For the avoidance of doubt, EDF does not retract or waive the other revisions to Paragraph (3) of Subsection C of 20.2.50.116 NMAC that are set out in the Second Revised Amendments to Proposed 20.2.50 NMAC filed by EDF, Clean Air Advocates, Center for Civic Policy, and Nava Education Project on September 19, 2021 (the "eNGO Redline"). Rather, for purposes of EDF's testimony, the revisions shown above are in addition to the provisions pertaining to wellhead sites

and existing wellhead only facilities reflected in Paragraph (3) of Subsection C of 20.2.50.116 NMAC of the eNGO Redline.

Similarly, Kinder Morgan does not retract or waive the revisions to 20.2.50.116 NMAC as set out in Kinder Morgan's Notice of Intent to Present Rebuttal Testimony, Exhibit XVIII (the "Kinder Morgan Rebuttal Redline"), other than those revisions related to EPA method 21 or optical gas imaging monitoring frequency for transmission compressor stations, which are superseded by this Joint Proposal. Kinder Morgan also does not retract or waive the revisions to other sections of 20.2.50 NMAC set out in the Kinder Morgan Rebuttal Redline.

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CERTIFICATE OF SERVICE

I hereby certify that on September 24, 2021, a true and correct copy of the foregoing **NOTICE OF JOINT PROPOSAL REGARDING SUR-REBUTTAL TESTIMONY OF KINDER MORGAN, INC. AND ITS SUBSIDIARIES AND AFFILIATES, EL PASO NATURAL GAS COMPANY, L.L.C., TRANSCOLORADO GAS TRANSMISSION CO., LLC, AND NATURAL GAS PIPELINE COMPANY OF AMERICA, LLC AND ENVIRONMENTAL DEFENSE FUND** was filed with Board Administrator, Pamela Jones, via electronic mail and served via electronic mail to the following:

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