



Central Valley Gas Storage

An AGL Resources Company

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February 18, 2016

Mr. Joseph Fischer
Lead, Oil and Gas Regulation
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: Revised Draft Regulation for Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities

Central Valley Gas Storage, LLC (CVGS) operates a California Public Utilities Commission certified natural gas storage facility in Colusa County, California. All of the wells, pipelines, compressors and appurtenant equipment at CVGS were designed to modern gas storage facility standards within the last decade and placed into service in 2012.

CVGS representatives attended the workshop covering the Revised Draft Regulation for Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities via WebEx on February 4, 2016. At the workshop, feedback was requested regarding the revised draft regulation by February 18, 2016. CVGS has carefully reviewed the Proposed Regulation Order modifying Title 17, Division 3, Chapter 1, Subchapter 10, Article 4, Subarticle 13 and respectfully offers the following comments and recommendations regarding specific sections and subsections. A copy of this letter also has been e-mailed to you at joseph.fischer@arb.ca.gov.

§ 95668 – Standards

(c) Vapor Collection Systems and Vapor Control Devices:

(3) – CVGS respectfully submits that there are situations where it truly is not technically feasible to direct collected vapors back into piping systems containing natural gas specified in § 95668(c)(2) because introducing vapors with varying air/oxygen concentrations into pipelines containing natural gas would constitute a safety hazard. In these cases, the measures discussed in § 95668(c)(3) should apply instead. CVGS proposes retaining the technical feasibility exception as follows:

“If no existing sales gas system, fuel gas system, or underground injection well specified in section 95668(c)(2) is available at the facility, or if it is not technically feasible to utilize, the owner or operator must control the collected vapors as follows.”

If it is permissible to for a gas storage facility to control collected vapors utilizing a vapor control device, CVGS also offers the following suggestion with regard to subsection (c)(3)(B)

CVGS currently operates a vapor control device that controls collected vapors, achieves at least 95% vapor control efficiency, and meets all applicable federal, state, and local air

district requirements. CVGS is located in a region classified as in attainment with all federal ambient air quality standards, and all state air quality standards with the exception of PM10. (Colusa County sometimes has elevated PM10 levels due to the agricultural activity in the area but is in attainment with state standards regarding particulate matter that would result from combustion products.) CVGS believes that its existing vapor control device should meet the requirements of subsection (c)(4)(A). CVGS requests clarification that it (or similarly situated facilities) should not be required by subsection (c)(3)(B) to replace its existing vapor control device with a new device.

CVGS recommends that the following language be added to the end of subsection (c)(3)(B) for clarity:

"... to control all of the collected vapors. Facilities currently operating a vapor control device substantially meeting the requirements specified in subsection 95668(c)(4) may use that device to meet the requirements of section 95668(c)."

(h) Natural Gas Underground Storage Facility Well Monitoring Requirements:

- (2) – CVGS continuously monitors its injection/withdrawal wells with a standard video camera which is monitored by its operating personnel, as well as remote monitoring of pressure and flow for each of the wells used for injections and withdrawals. The video cameras would likely show visual evidence of a significant breach occurring at one of these high pressure wells. CVGS believes that the combination of continuous video monitoring with planned, regular manual surface monitoring at all storage field wells conducted by qualified personnel should be deemed suitable to meet the objective of a plan for surface leak monitoring required by this subsection.

CVGS also strongly recommends that the frequency for planned, regular surface monitoring be reviewed and adjusted to appropriate levels based on observed results for gas storage facility wells that have been in operation for less than 20 years and are designed to modern standards with full cementing from the storage zones to the surface. For example, for such wells the frequency for surface monitoring could begin as daily to establish a baseline, but in the event that daily manual surface monitoring of a well shows no evidence of leaks for 90 consecutive days, the monitoring frequency could be adjusted to weekly. If a weekly monitoring event subsequently detected a leak or demonstrated a significant anomaly from baseline readings, the well would be returned to a daily monitoring frequency schedule until a leak is identified and repaired. If a well on a weekly monitoring frequency schedule continued to show no evidence of leaking or significant anomalies for 90 consecutive weeks, the monitoring frequency could be adjusted to monthly. CVGS notes that a comparable approach demonstrating flexibility in frequency based on observed results is used in these proposed regulations with regard to the leak inspection frequency specified in § 95669(f).

§ 95669 – Leak Detection and Repair

- (b) – Some gas storage facilities are manned every business day, but not every calendar day. CVGS respectfully requests that the language require audio-visual inspection of components on any day that a facility is staffed (or visited) but in no event less than weekly.
- (f) – CVGS agrees with the proposals for quarterly LDAR inspection and for adjusting inspection frequency based on observed results stated in subsections (1) and (2) of § 95669(f)
- (h) – There are legitimate exceptions to a one (1) calendar day repair requirement. These include the need to order parts that may not be immediately available in order to properly

repair the leak, (in these instances CVGS tries to isolate the component and remove it from service if possible) and cases where clearances are required to locate other utility's underground facilities to be able to dig.

- (j) – CVGS recommends that this language be clarified to ensure that it does not apply to relief vent lines, which should never be sealed for safety reasons.

§ 95673 – Implementation

(b) Requirements for Covered Entities

- (1) (A) – CVGS suggests modifying the language presented in this subsection because the terms contained in a permit issued by local air permit districts are controlled by the local air permit district and not the operator of a facility. It is the responsibility of the facility operator to comply with permit terms and CVGS expects to fully comply with these regulations, but CVGS respectfully submits that ARB will need to work with local air permit districts to ensure that the permits issued contain the appropriate terms to comply with this article.

(B) – CVGS suggests modifying the language presented in this subsection for the same reason stated above regarding section 95673(b)(1)(A).

- (2) (A)
 - 3. e. – CVGS proposes that the count should be of all natural gas pneumatic devices and pumps at the facility.
 - 4. – CVGS also respectfully suggests modifying the language presented in this portion of the requirement, because, once again, terms contained in a permit issued by local air permit districts are controlled by the local air permit district and not by the facility operator.

The objective of CVGS is to operate its facilities in a safe and reliable manner and in compliance with applicable laws, rules and regulations. CVGS appreciates the opportunity to comment on the Draft Regulation. If there are any questions concerning these comments, please contact me at (630) 388-2010 or e-mail me at therman@aglresources.com.

Sincerely,



Timothy J. Hermann
Vice President
Storage and Peaking Operations

cc: Mark Stephens, Manager CVGS Operations
John Boehme, Manager Regulatory Affairs