

Kinder Morgan Testimony (Extended Version)
March 18, 2019

From: Jim Tangeman
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Committee: Energy & Environment

Hearing on SB19-181 Becker and Caraveo--Protect Public Welfare Oil & Gas Operations

Testimony

Madam Chair Jackson and members of the committee, thank you for the opportunity to present to you today. My name is Jim Tangeman, an Environmental, Health & Safety Manager specializing in Greenhouse Gas and Methane management for Kinder Morgan, Incorporated's natural gas business unit. Kinder Morgan is one of the largest energy infrastructure companies in North America. In Colorado, Kinder Morgan's natural gas business unit operates more than 3,200 miles of natural gas transmission pipelines, almost 30 natural gas compressor stations, 5 underground natural gas storage facilities and countless support facilities receiving natural gas from producers and supplying natural gas to every part of the state.

Colorado is Kinder Morgan's western region headquarters for our natural gas operations employing several hundred professional and technical staff throughout the state. In particular, our office in Colorado Springs, El Paso County employs 300 people and a total of 643 people statewide. We are a critical natural gas supplier to the Front Range and the Denver metro area in addition to providing natural gas to all the other parts of Colorado.

I am here on behalf of my company to oppose this bill for the following reasons:

1. The legislation as written will not achieve the positive results and potential emission reductions that will be achieved through the Statewide Hydrocarbon Emission Reduction (SHER) program. I will explain more about the SHER program coming up.
2. This legislation as it now stands has been developed without any collaboration with the oil & gas industry. I want to focus on the portions that address air emissions. As an air quality and greenhouse gas expert with almost 30 years of experience in this field, I consider myself qualified to evaluate the emissions portion of the bill. In simple terms, this legislation as it is now written requires the use of unproven and commercially infeasible continuous emission monitoring equipment for methane. This portion of the legislation should be reconsidered in collaboration with industry because there are

existing technologies, processes and practices already being implemented by many of our companies that are already in place and they have been successfully proven to reduce methane emissions. These other technologies, processes and practices will have a more beneficial effect to the environment than requiring unproven equipment that might not work.

Kinder Morgan's natural gas business unit has been minimizing methane emissions for more than 25 years on a voluntary basis above and beyond regulatory or legislative mandates. These reductions in methane emissions are equal to more than 57 million tons of greenhouse gas emissions not emitted to the atmosphere. In addition, Kinder Morgan is part of a forward thinking industry coalition that includes companies representing all parts of the natural gas industry value chain. The coalition is called Our Nation's Energy Future (better known as ONE Future). The primary goal of the group is to reduce methane emissions across the value chain to achieve 1% or less methane emissions by 2025. Our first report for 2017 showed that the ONE Future companies only generated methane emissions of 0.52% almost half of our original 2025 goal of 1%. To put it another way, the methane emissions from all the ONE Future companies including Kinder Morgan were a half a percent of the natural gas produced by the ONE Future companies. Our commitment is to continue improving and continuing reducing our methane emissions.

This ONE Future approach was used as the model for the SHER program mentioned earlier. Since January 2018, Kinder Morgan and five other natural gas companies with transmission pipeline operations in Colorado have been participating in the SHER program by meeting monthly with the Colorado Department of Public Health & Environment, Environmental Defense Fund (EDF), Boulder County, Adams County and other stakeholders. This successful collaborative process has resulted in a proposed long-term performance-based program that will achieve effective and sustainable methane reductions within the natural gas transmission sector. These are expected to achieve much greater reductions than could be achieved through a regulatory or legislative mandate. However, SB181 has caused the fate of the SHER program to be called into question. If allowed to continue unimpeded, the SHER program will lead to significant long-term methane emission reductions in Colorado and it will be achieved through a successful collaboration between industry, the state, environmental organizations and other stakeholders.

Thank You Madam Chair and the Other Committee Members for your time. I look forward to any questions that you have.