



New Partner Breakout Session

Presenters:

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Natural Gas STAR Annual Implementation Workshop

Houston, Texas



Welcome Natural Gas STAR Partners!



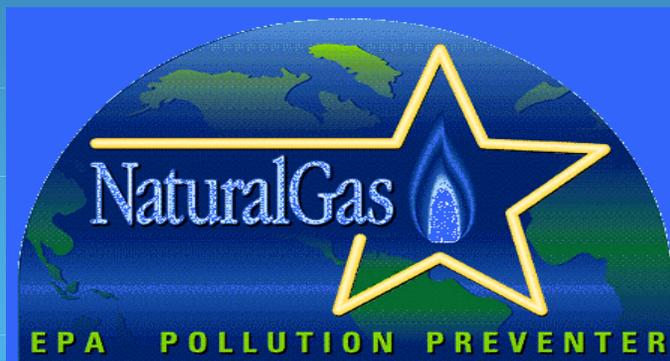
Discussion Topics



- ★ Implementation Plan Development
- ★ Gaining Company Support
- ★ Barriers to Implementation
- ★ Annual Reporting
- ★ Announcing Achievements
- ★ Emissions Reduction Opportunity Reports
- ★ Web Site and Online Tools
- ★ Mentor Program



IMPLEMENTATION PLAN DEVELOPMENT



Implementation Plan Development



What is an Implementation Plan?

- ★ Summarizes how your company intends to incorporate Gas STAR into operations.
- ★ Implementation of specific practices is not mandatory, and goals are not binding.
- ★ Extent of participation is flexible and determined by partner.

Implementation Plan Development



What is an Implementation Plan? (continued)

- ★ Partners commit to participating at level that best suits their company and operations.
- ★ Revisit based on company policy. At a minimum, it is suggested that partners revise your plan every three years to ensure you are maximizing the benefits of BMPs and PROs.

Implementation Plan Development



Why is it important?

- ★ Helps you lay the groundwork for a successful partnership.
- ★ Helps you maximize your company's gas-saving opportunities.
- ★ Shows your company's commitment to reducing methane emissions — proves to all staff that Gas STAR is important.

Implementation Plan Development



How do you develop an Implementation Plan?

- ★ Review your company's past operations and activities.
- ★ Evaluate Gas STAR BMPs and PROs to reveal new opportunities.
- ★ Determine your implementation approach.
- ★ Outline the planned scope of implementation.

Implementation Plan Development



Step 1: Review your company's past operations

- ★ Enables you to establish a baseline to benchmark future progress.
- ★ Helps identify future opportunities (e.g., new ideas, areas for expanded implementation).
- ★ Helps identify facilities that have the most room for improvement.
- ★ Allows you to document your company's past achievements.
~include in annual report!

Implementation Plan Development



Step 2: Evaluate Gas STAR BMPs/PROs

★ Best Management Practices

- Core set of BMPs for each industry sector.
- Generally cost-effective and widely-applicable across the industry.

★ Partner Reported Opportunities

- Technologies and practices that have been reported by partners.
- Opportunity to pursue innovative technologies/practices.
- Major source of methane emissions reductions for partners.

★ Resources: Lessons Learned studies, PRO fact sheets, Online BMP/PRO Economic Analysis Tool, one-on-one assistance.

Implementation Plan Development



Step 3: Determine your implementation approach

- ★ It's flexible — you determine what strategy is best for your company and desired minimum rate of return.
- ★ Various implementation strategies have been adopted by Gas STAR partners:
 - Integrate with current activities.
 - Develop a pilot project.
 - Conduct a baseline study.

Implementation Plan Development



~ Integrate with current activities.

★ Integrate Gas STAR into existing programs and operational infrastructure to the greatest extent possible.

★ Examples:

- El Paso incorporated Gas STAR practices into regular maintenance and replacement activities by making a practice of repairing and documenting leaks as soon as they are identified, rather than waiting for scheduled repair cycles.
- Columbia Gas and Gulf integrated the Gas STAR Program into the company's Environmental Excellence Program.

Implementation Plan Development



~ **Develop a pilot project.**

- ★ Start on a small scale — identify a specific facility(s) or site(s) at which to implement one or more Gas STAR BMPs/PROs.
- ★ Expand participation based on the results of pilot projects.
- ★ Helps partners determine associated costs and savings, timeframes, staffing, and operational requirements before investing in large-scale improvements.

Implementation Plan Development



~ **Develop a pilot project. (continued)**

★ **Example:**

-- Unocal initiated a pilot project at one of its facilities to test the conversion of its gas-powered pneumatic instrument system to a compressed air-powered system. The success of the project reinforced senior management support of the Gas STAR Program and prompted the company to look for the same opportunity to install instrument air at other facilities.

Implementation Plan Development



~ Conduct a baseline study.

★ Results allow you to set performance standards or to create “rules-of-thumb” to help determine future activities.

★ Example:

-- Marathon Oil conducted an in-depth review of pneumatic controllers. Following the study, the company adopted a company-wide practice that if an operator could hear or feel gas escaping from a device, then it was economical to replace it with a low-bleed device.

Implementation Plan Development



Step 4: Outline planned scope of implementation

- ★ Identify BMPs/PROs/other planned emissions reduction activities that match your company's environmental and economic objectives.
- ★ Determine which installations/facilities will be included.
- ★ Decide on an implementation approach: pilot project, baseline study, other rollout approach?
- ★ Develop an anticipated implementation schedule.

Implementation Plan Development



When and how should you submit your Implementation Plan to EPA?

- ★ Standard templates are available for each industry sector — Microsoft Word or PDF.
- ★ You may also devise your own format to outline your company's implementation approach.

Production and Processing – within 1 year of joining

Transmission and Distribution – within 6 months of joining

Implementation Plan Development



What resources are available?

EPA and STAR Service Representatives are always available to assist partners with Program implementation:

- ★ Help developing your Implementation Plan.
- ★ Help identifying new or underutilized emissions reduction opportunities.
- ★ Help setting up a data collection, tracking, and management strategy.

Implementation Plan Development



What resources are available? (continued)

Onsite Implementation Assistance Program:

- ★ Partners receive hands-on demonstrations of the tools and resources available through Natural Gas STAR.
- ★ Includes: BMP/PRO Economic Analysis Tool, Data Collection and Management Tool, and online reporting.

Implementation Plan Development

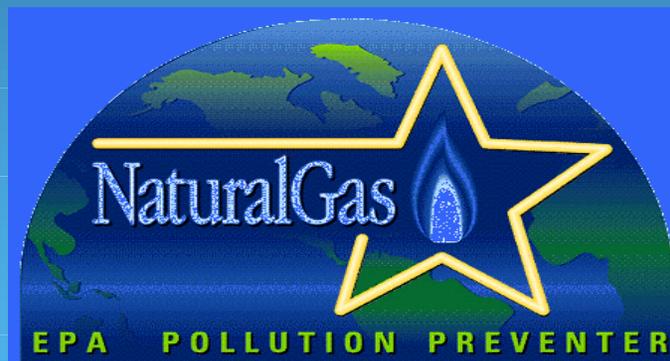


What resources are available? (continued)

- ★ Implementation case studies — document how partners began their participation in the Program, and how they implemented new technologies/practices to prevent losses of natural gas from their operations.
- ★ Online BMP/PRO Economic Analysis Tool.
- ★ Technical support documents — Lessons Learned studies, PRO fact sheets.



GAINING COMPANY SUPPORT



Gaining Company Support



Why is it important?

- ★ Helps you build momentum for the Gas STAR Program within your company.
- ★ Builds continuity for the Program.

Gaining company support is critical to ensuring Program success!

Gaining Company Support



How can you develop and maintain internal program support?

- ★ Educate management and field personnel.
 - Explain Program goals.
 - Relate to company's current environmental commitments.
 - Translate goals to specific economic benefits.
- ★ Involve staff at all levels.
 - **Management support is critical — results in a stronger program.**
 - Field staff are instrumental — they know operations best and come up with innovative ideas.

Gaining Company Support



How can you develop and maintain internal program support? (continued)

- ★ Develop communications mechanisms.
 - Leverage existing corporate infrastructure (e.g., company environmental committees).
 - Establish communications with corporate media and PR staff.
 - Develop routine outreach mechanisms (e.g., email list servers, Web forums, newsletters).
- ★ Consider incorporating Gas STAR into corporate policy.

Gaining Company Support



How can you develop and maintain internal program support? (continued)

- ★ Consider creating a Gas STAR team composed of staff from different departments and levels.
 - EH&S
 - Management
 - Operations
 - Planning
 - Public relations

Gaining Company Support

How can you develop and maintain internal program support? (continued)



- ★ Support continuous education of staff.
 - Invite representatives from all staff levels to participate in Gas STAR workshops, technology transfer sessions and meetings.
 - Tech transfer workshops and annual implementation workshop facilitate peer-based exchange of technical and economic information.

Gaining Company Support



How do you announce your participation?

Gas STAR partners have used various methods to inform staff of the company's participation:

- ★ Presentations (e.g., management meetings, operations meetings).
- ★ Newsletter announcements.
- ★ Banners, signage, other uses of the Gas STAR logo.

Gaining Company Support



How do you announce your participation? (continued)

Partner examples:

★ Devon Energy

- Hosted a partnership agreement signing ceremony.
- Included Devon's CEO, EPA representatives, Devon employees, local news media.
- Following the ceremony, the CEO distributed a message to all staff pledging his commitment to the Program and soliciting employee support.

Gaining Company Support



How do you announce your participation? (continued)

★ El Paso Natural Gas Production

- Posted Gas STAR new partner certificates at each of its facilities.

★ Kerr-McGee

- Launched Program at annual regional Environmental Excellence Team meetings (EPA provided Gas STAR materials to support this effort).
- A letter from top-level management was distributed to all employees announcing the new partnership after the meetings.

Gaining Company Support



What tools are available?

A variety of resources are available to help you launch your Gas STAR Program:

- ★ Program videos — introduces employees to Natural Gas STAR, describes methane emissions reduction technologies and practices, and features testimonials from Program partners.
- ★ Communications toolkit — includes tools to help you communicate your company's participation (e.g., PowerPoint presentations, company/stockholder newsletter templates, samples from partners).

BARRIERS TO GAS STAR IMPLEMENTATION



Barriers to Implementation

What are some barriers partner may encounter?



- ★ Conducting data collection and annual reporting.
- ★ Obtaining management support.
- ★ Maintaining momentum and continuity.

Barriers to Implementation



~ Conducting data collection/annual reporting.

- ★ Develop a system for tracking your activities and emissions reductions at the start!
- ★ If possible, incorporate Gas STAR into existing data collection systems.
- ★ Use Gas STAR tools — Online Data Collection and Management Tool.
- ★ Plan for annual reporting ahead of time.
- ★ Maintain communications with operations/field staff — make clear the importance of tracking and reporting activities and reductions.

Barriers to Implementation



~ Obtaining management support.

- ★ Provide routine updates to management — annual reports, awards, recognition, emissions reduction opportunity reports.
- ★ Translate Gas STAR achievements into economic savings (EH&S = \$\$\$!).

Why is management support so important?

- (1) Demonstrates importance of the Gas STAR Program to all employees.
- (2) Ensures that staff have the time and resources to initiate new activities/practices.

Barriers to Implementation

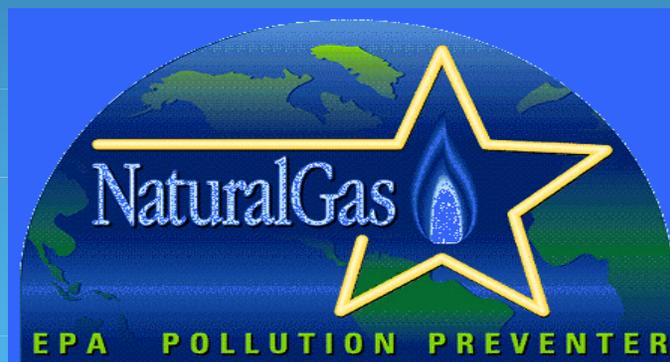


~ **Maintaining momentum and continuity.**

- ★ Involve staff at all levels.
- ★ Support continuous education of staff.
- ★ Continue to revisit BMPs and PROs for new opportunities (annual reporting season!).
- ★ Take advantage of technology transfer opportunities (e.g., workshops, new technical materials).



ANNUAL REPORTING



Annual Reporting



What is an Annual Report?

- ★ Progress report documenting methane emissions reduction activities your company has undertaken in the previous calendar year.
- ★ March/April timeframe.
- ★ Reductions may be measured or estimated — EPA provides default values for BMPs.

Annual reports are kept confidential by EPA!

Annual Reporting



Why is it important?

- ★ Drives the technology transfer process — EPA uses the data to develop technical documents on emerging technologies and practices.
- ★ Provides a permanent record of your company's contributions to reducing greenhouse gas emissions.
- ★ Demonstrates to management the financial benefits of reducing methane emissions. (EH&S = \$\$\$)
- ★ Enables partners to be eligible for Gas STAR awards and recognition.

Annual Reporting

Can I report reductions realized prior to my company joining Natural Gas STAR?



Yes!

Gas STAR partners may report past methane emissions reductions to EPA at any time.

Production and Processing – back to 1990

Transmission and Distribution – back to 1993

Annual Reporting



How do I submit my Annual Report?

- ★ Standard reporting form (via mail, email, or fax).
- ★ Online reporting system.
- ★ Data collection and management tool.
- ★ Your own format – spreadsheets, internal company reports, text documents, etc.

STAR Service Representatives can answer any questions about collecting data and compiling your annual report.

Annual Reporting



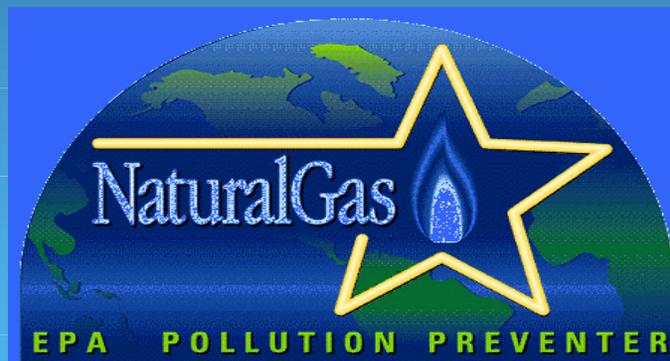
When is my Annual Report due?

- ★ You will be notified by EPA in February/March.
- ★ Due date is approximately 6 to 8 weeks after notification.
- ★ Partners may report past methane emissions reductions to EPA at any time.

New partners who joined in 2003 are not required to submit an annual report until Spring 2005 (for the 2004 calendar year).



ANNOUNCING ACHIEVEMENTS



Announcing Achievements



Take advantage of opportunities to publicize your Gas STAR activities and achievements:

- ★ Enhance your corporate image and generate positive publicity.
- ★ Demonstrate your company's commitment to environmental protection and stewardship.

Announcing Achievements

How do you announce your achievements?



Partners have used various methods to publicize their Gas STAR awards and achievements:

- ★ Press releases.
- ★ Company newsletters.
- ★ Web sites.

Announcing Achievements



How do you announce your achievements? (continued)

Partner examples:

- ★ Pioneer Natural Resources

- Displayed Gas STAR Partner of the Year awards in the lobbies of each of its processing plants.

- ★ Kerr-McGee

- Distributed golf shirts with the Gas STAR logo to all employees in its domestic onshore and offshore regions to celebrate their Gas STAR Partner of the Year award.

EMISSION REDUCTION OPPORTUNITY REPORTS



Emissions Reduction Opportunity Reports



What is an Emissions Reduction Opportunity Report?

- ★ Summarizes a partner's activities to reduce methane emissions.
- ★ Compares a partner's progress against its peers in the Gas STAR Program.
- ★ Provides ideas for additional opportunities to cost-effectively reduce methane emissions.

Information is kept confidential — company-specific data is not shared with other partners.

Example Report



ABC NATURAL GAS COMPANY

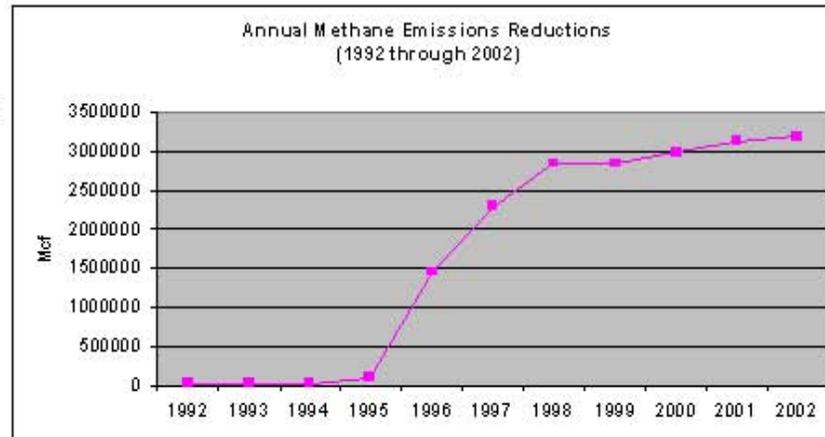
EMISSIONS REDUCTION OPPORTUNITY REPORT

ABC NATURAL GAS COMPANY – NATURAL GAS STAR SUMMARY

Joined Natural Gas STAR: 1996	2002 Reported Reductions: 736,592 Mcf
Natural Gas STAR Sector: Production	2002 Cumulative Reductions: 16,765,879 Mcf
Annual Gas Production: 360 Bcf	2002 Cumulative Savings: \$50,297,637 (at \$3/Mcf)

METHANE EMISSIONS REDUCTIONS

Since joining Natural Gas STAR in 1996, ABC Natural Gas has proven its commitment to reducing methane emissions. In the company's first annual report, ABC Natural Gas reported methane emissions reductions of 548,100 Mcf for 1998, as well as past reductions dating back to 1992¹. After seven years in the Natural Gas STAR Program, ABC Natural Gas has demonstrated significant progress—through 2002, the company has achieved cumulative reductions totaling 16,765,879 Mcf.





WEB SITE AND ON-LINE TOOLS



Web Site and Online Tools



What is available on the Gas STAR Web site?

- ★ Natural Gas STAR news.
- ★ Technical support documents.
- ★ Program forms.
- ★ Communications Toolkit.
- ★ Gas STAR Online Tools Suite.

Web Site and Online Tools

~ Gas STAR News



Provides current and historical information about the Natural Gas STAR Program.

- ★ Partner Update.
- ★ Press releases and new items (American Gas Association, Natural Gas Supply Association).
- ★ Journal articles (Oil & Gas Journal, Hydrocarbon Processing).
- ★ Public service announcements.

Web Site and Online Tools

~ Technical Support Documents

- ★ Lessons Learned studies (15)
- ★ PRO fact sheets (49)
- ★ Case studies (6)



Web Site and Online Tools



~ Program Forms

- ★ Annual Reporting forms.
- ★ Implementation Plan forms.

Available in both PDF and Microsoft Word
for downloading and printing.

Web Site and Online Tools

~ Communications Toolkit



Both PDF and HTML formats are provided for downloading and printing:

- ★ Templates for press releases, newsletters, and Web sites.
- ★ Sample communications pieces developed and used by Gas STAR partners.
- ★ Presentations, information, and articles about Gas STAR.

Web Site and Online Tools



~ Gas STAR Online Tools Suite

★ Online Reporting Tool

-- Enables partners to submit their annual reports via the Internet using electronic forms.

★ Data Collection and Management Tool

-- Allows partners to store and track their methane emissions reduction data/information in an easy-to-access online database.

★ BMP/PRO Economic Analysis Tool

-- Generates estimates of the economic and environmental benefits of implementing Gas STAR BMPs and PROs based on information provided by the partner.

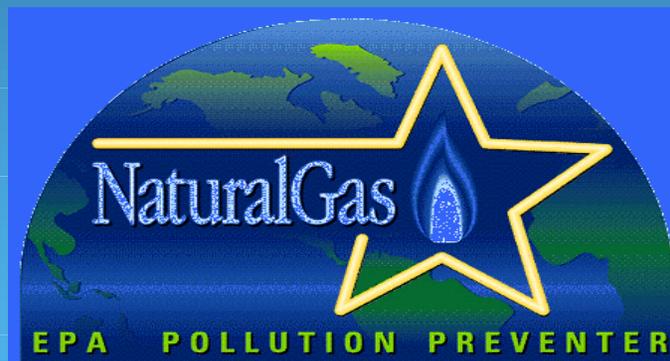
Web Site and Online Tools

~ Live Demonstration





GAS STAR MENTOR PROGRAM



Mentor Program

What is the Gas STAR Mentor Program?

- ★ Service for new partners.
- ★ Informal process.
- ★ Sign-up sheet.



Contact Information



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