Natural Gas Production Companies and the Natural Gas STAR Program

Reducing Emissions
Increasing Efficiency
Maximizing Profits

Producer's Workshop
Hosted by: Murphy Exploration and Production & API
June 19, 2003

http://www.epa.gov/gasstar/
The Natural Gas STAR Program

The Natural Gas STAR Program is a *flexible, voluntary partnership* between EPA and the oil and natural gas industry designed to *cost-effectively* reduce methane emissions from natural gas operations.
Natural Gas STAR’s role in Climate Change

“We will challenge American businesses to further reduce emissions…”

President G.W. Bush, February 14, 2002

- Natural Gas STAR is a key component of President Bush’s climate change policy
- API Climate Challenge Program
  - 100% member participation in Natural Gas STAR
- Endorsed by 11 industry organizations including the Interstate Natural Gas Association of America
Emissions by Industry Sector (per year)

- Transmission and Storage: 111 Bcf (37%)
- Processing (including Gathering and Booster Stations): 61 Bcf (20%)
- Production: 53 Bcf (17%)
- Distribution: 78 Bcf (26%)
Program Accomplishments

- 217 Bcf in total reductions
- Annual Emissions Reductions:
  - Previous: 3.6 Bcf
  - 1993: 7.3 Bcf
  - 1994: 12.4 Bcf
  - 1995: 14.8 Bcf
  - 1996: 17.9 Bcf
  - 1997: 23.8 Bcf
  - 1998: 29.2 Bcf
  - 1999: 33.3 Bcf
  - 2000: 34.0 Bcf
  - 2001: 40.6 Bcf

Total: 216.9 Bcf
Production Partner Accomplishments

★ Production partners have reported 129 Bcf in methane emission reductions since 1995.

★ Source of Reductions
  ★ 13% of reductions from pneumatic replacements
  ★ 83% of reductions from Partner Reported Opportunities (PROs)
Gas STAR Program Benefits

Save time identifying the “right” technologies and practices to reduce methane emissions

• Technical studies and fact sheets based on real company applications
• Case studies describing successful partner experiences
• Economic analysis software to estimate financial returns
• One-on-one assistance
Gas STAR Program Benefits

Build network with industry peers and draw upon their experience and successes

- Technology Transfer workshops
- Annual Implementation Workshop
Gas STAR Program Benefits

Enhanced corporate reputation

• *Environmental message*
• *Public recognition by EPA and industry*
• *Achievement awards*
• *Communications Toolkit*
• *Easy methods to equate environmental benefits*
Gas STAR Program Benefits

Voluntary record of reductions & internal benchmarking capability

- Methodology to track and record methane emission reductions
- Data to develop internal benchmarks
- Flexibility and assistance in preparing methane emissions reduction summary
Gas STAR Program Benefits

Minimal resources required to manage Program & “real-time” assistance

- Standardized forms and methane emission default values
- Data collection software
- On-line record keeping and reporting
- Technical support staff available to partners
Natural Gas STAR: Voluntary and Effective

★ Fosters private initiative and innovation
★ Achieves economic and environmental goals
★ Enables future government and industry cooperation
★ Proves that non-regulatory, cooperative programs work
★ Simple to participate, a win-win approach
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