

Expansion of the intelligent Pipeline Integrity Program (iPIPE)

Submitted by:

iPIPE Executive Committee

- Request for: \$1,000,000 (in addition to the existing \$1.6M OGRP investment)**
- Total Project Costs - \$6,437,297**
- Project Duration: 42 months**

PROJECT DESCRIPTION

Letter from the iPIPE Executive Committee (Excerpt):

- We, the undersigned intelligent Pipeline Integrity Program (iPIPE) Executive Committee members and the program's managing organization, the Energy & Environmental Research Center, wish to submit to the North Dakota Oil and Gas Research Program (OGRP) this letter proposal requesting incremental state cost match funding to continue the state's investment in this growing and highly successful program.
- We greatly appreciate the vision of OGRP in electing to recommend North Dakota Industrial Commission (NDIC) funding for iPIPE in May 2018. In its first 17 months of effort, iPIPE has gained national attention for its unique and highly successful approach to developing new technology that enhances safe pipeline operations. Our early success has been documented in reports submitted to NDIC and in presentations made by Governor Burgum and others on this program. We anticipate continued growth of the program, demonstrating North Dakota leadership in pipeline safety and development of new pipeline technologies. Simply put, this program would not be possible without NDIC's generous support.

- At program inception, OGRP wisely advised us to return with requests for incremental funding as the consortium grew, thus ensuring the intention of OGRP to support industry oil research rather than lead it. We now feel that continued membership growth, growth in scope, notoriety earned for the state and its industry partners, and cash and in-kind cost share in excess of that promised by industry all combine to trigger our incremental funding request.
- We ask that OGRP and NDIC consider awarding iPIPE incremental funding of \$1M. To date, the nine program members have committed to \$2.4M in cash cost share. These members have already posted \$358,634 in in-kind cost share. Additionally, technology providers have already posted \$1,076,663 in in-kind cost share, resulting in a total cost share from industry of \$3.8M (including cash member dues), with much more anticipated as in-kind contributions continue to accrue and as we continue to welcome new member companies.

TECHNICAL REVIEWERS' RATING SUMMARY

		Technical Reviewer			
Statement	Weighting Factor	<u>G-51-05A</u>	<u>G-51-05B</u>	<u>G-51-05C</u>	<u>Average Weighted Score</u>
Objectives	9	4	4	3	27
Achievability	7	4	4	4	28
Methodology	8	5	4	3	32
Contribution	8	5	5	4	32
Awareness / Background	5	3	4	4	15
Project Management	3	4	4	5	12
Equipment / Facilities	2	5	4	3	8
Value / Industry-Budget	4	4	4	5	16
Financial Match – Budget	4	5	5	5	20
Average Weighted Score		217	212	192	207
Maximum Weighted Score				250 possible points	

TECHNICAL REVIEWER TOTALS

G-51-05A

Average Weighted Score: **217 out of 250**

FUND

G-51-05B

Average Weighted Score: **212 out of 250**

FUND

G-51-05C

Average Weighted Score: **192 out of 250**

FUND

TECHNICAL REVIEWER COMMENTS

Reviewer G-51-05A

Pipeline safety is a key challenge for the continued growth of the oil and gas industry in the state. The way this program is structured with a consortium of industrial companies and the State of ND means cost for each party are less and results are available to both parties. State participation allows the state to be aware of advances in technology that can be used to enhance the safety of pipelines within the state and the companies are aware of new technologies that they can implement. Both parties will see real value by working together on this project.

Recommendation: Fund

Reviewer G-51-05B

I believe this is an important project that should be funded and is well supported by a structure with broad industry and technical participation.

Recommendation: Fund

Reviewer G-51-05C

The founding industry members of the consortium include oil and gas operators and midstream companies representing some of the largest and most successful within North Dakota, and the EERC managing entity is a proven standard in the management of research projects within North Dakota, as well as around the nation. The program practice of rotating leadership of the executive committee regularly will increase the likelihood of the full spectrum of ideas and innovations being addressed

Recommendation: Fund

Director's Recommendation:

Recommend funding the total \$1,000,000 with the condition that \$500,000 would come from the current biennium 2019-2021 and \$500,000 coming from the next biennium 2021-2023 appropriations.