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International regulatory cooperation:

Sectoral projects

Progress report on the sectoral initiative on Pipelines Safety

Submitted by the Rapporteur*

Mandate

On its twenty-seventh Session the Working Party noted information on regulatory cooperation provided by the delegates and adopted the reports of the four sectoral initiatives and requested them to report at the 2018 session.

Summary

The European energy market is undergoing systemic change with the expansion of the shares of renewable energy sources and of liquefied natural gas. By all estimates, pipeline systems will continue to play a significant role in the next 25–30 years for the delivery of primary hydrocarbon resources to European consumers.

Companies operating pipeline systems are required to maintain and increase safety levels, comply with strict environmental requirements, especially in cross-border areas, while facing new challenges including artificial intelligence systems and the operation of complex transport management systems.

* At its eighteenth session, the Working Party asked the secretariat to provide annual updates on the work of all the sectoral initiatives (ECE/TRADE/C/WP.6/2008/18, para. 63).

Within this context, the sectoral initiative aims at identifying and assessing safety requirements for transboundary pipelines, and standards to be used in determining compliance with these requirements. This will then result in the formulation of specific recommendations that could become a key part of the overall regulatory of ECE countries in the field of construction and design not only main pipelines, but all distribution systems in general.

This document contains information on the objectives of the sectoral initiative and its recent activities and plans. It is submitted to the Working Group for discussion and adoption.

Proposed decision

The Working Party adopts the report on the sectoral initiative on Pipelines Safety. It mandates the Secretariat to continue to report on its development and implementation. It further requests the secretariat, contingent upon the availability of extrabudgetary resources, to assist in maintaining and developing contacts with Governments to promote the project.

I. Background

1. Despite changes in the structure of the European energy market - due to changes in its structure and due to the expansion of the share of renewable energy sources, as well as liquefied natural gas – pipeline systems will continue to play a significant role in the next 25–30 years in the uninterrupted and safe delivery of primary hydrocarbon resources to European consumers.
2. Companies operating pipeline systems are required not only to maintain a high level of their safety, but also to increase them, especially with regard to the transportation of liquid petroleum products. Increasing the level of environmental requirements for environmental protection puts pressure on companies that operate and build pipeline systems, especially in cross-border areas, where the responsibility for security depends not only on the parties to the transportation participants, but also on other market participants.
3. Regulatory and legislative decisions have a serious impact on companies that are engaged in the pipeline business, in some cases resulting in the companies changing organizational formats, forming new consortia and developing technology partnerships.
4. The development of pipeline transport management systems with artificial intelligence components that make these systems more economical and efficient also creates new threats and risks that must be taken into account both in the design of new systems and in the reconstruction of existing ones.

II. Project objective and key deliverables

5. Within this context, the sectoral initiative has started to develop a common regulatory framework for the pipeline security sector, taking into account the provisions of the “International Model” contained in Recommendation L.
6. At the same time, considering the complexity of receiving and processing regularly updated information on regulatory developments in the European Union markets, the task force also commits to conduct its activities online using the modern means of communication.

7. Before undertaking the development of common requirements and their harmonization in the ECE region, the sectoral initiative recommends undertaking work on the identification of possible risks and establishing a unified scientific approach to safety in the construction and operation of pipelines, including route optimization, reversible operating modes.

8. This is justified by the context introduced in the first section of this document and by the appearance of new systems of transportation or distribution of liquified natural gas products that require a more detailed consideration of requirements.

9. In the longer term, the sectoral initiative aims to develop not only a reference legal framework in this sector, but also to develop a recommendation on the organization of cooperation and information exchange in this critical sector at the European level.

III. Main achievements of the initiative until 2017

10. The sectoral initiative started its work in 2007. At the request of the Working Party (see paragraph 62 of the 2008 session report), interested delegations developed a questionnaire. Responses to the questionnaire were received from Belarus, Brazil, Canada, Kazakhstan and Turkey. The purpose of this questionnaire was to document the existing normative practice in this area. The questionnaire and the collected replies were discussed by the Bureau of the Working Party and were presented at the nineteenth annual session of the Working Party. The questionnaire revealed differences and interpretations of the rules and regulations in the security of pipeline systems, especially in the area of transboundary and reverse agreements, since this practice had not been used frequently.

11. In the following years, a Working group was formed in the Russian Federation, on the basis of the Russian Gas Society and the Russian Union of Industrialists and Entrepreneurs. It worked to create a prototype of the Geoinformation System for data collection and visual representation of more than 2 million kilometers of pipeline systems operating in ECE and Russia. Regular consultations and working meetings with International Organization for Standardization (ISO) interested committees were held.

12. The questionnaire was updated by the project team in 2015 and is available on the website of the initiative: <http://www.unece.org/tradewelcome/steering-committee-on-trade-capacity-and-standards/tradewp6/groups/pipeline-safety.html>

13. In 2017 in continuation of this work the Working Group was formed in Russia on the basis of the Russian Gas Society with the participation of the Russian Union of Industrialists and Entrepreneurs and ISO Technical Committee 67. The Working Group worked on the creation of the prototype of the geographic information system for data collection and visual representation of more than 2 million kilometers of pipeline systems in ECE countries and Russia. Members of the Working Group met on a regular basis, participated in activities of specialized committees of the ISO, took part in meetings and provided consultations.

IV. Meetings and awareness-raising activities in 2018

14. In 2018 the Sectoral Initiative established a Task Force on the Safety of Pipelines on the basis of the Russian Gas Society, with the participation of the Russian Union of Industrialists and entrepreneurs and ISO Technical Committee 67.

15. If earlier the Sectoral Initiative was aimed at identifying the risks that arise at different stages of the life cycle of pipeline systems, associated mainly with long-distance transport, the Task Force will now aim at a more thorough examination and identification of a complex set of safety requirements for transboundary pipelines based on the standards that will be used to determine compliance with these requirements.

16. The Task Force will focus on the formulation of specific recommendations that could become a key part of the overall regulatory framework of ECE countries in the field of construction and design not only main pipelines, but all distribution systems in general.

17. As a part of consultation and discussion of the goals and objectives of the Task Force – formed during the International Conference of the Russian gas society – the Chairman of the initiative headed a group of Russian experts at a meeting in Berlin with the leadership of the European Association for Natural Gases "Eurogas".

18. The information provided on the Sectoral initiative and objectives generated by the formed Task force, as well as plans for its development were met by the interest of participants. During the discussion on the work's plan by the initiative the Secretary-General of "Eurogas" suggested organizing a working meeting with the Association "Marcogaz" – which is directly involved to the transport of gas and the development of new forms of cooperation in this area.

19. Given the long-standing cooperation of the initiative with the Subcommittee 2 of the ISO Technical Committee 67 Committee "Pipeline Systems", a working meeting was held in Berlin with its members at the Berlin National Institute of Standardization. The presentation was conducted by the Chairman of the initiative. The participants took interest in the report of the joint meeting and they were invited to hold an even more detailed meeting at the forthcoming events of the subcommittee.

20. A discussion about the questionnaire on pipeline safety took place during the meeting with American Petroleum Institute in April 2018 in Moscow. The aim of the discussion was to involve American organizations in this work.

V. Responsibility for the continuation of the work

21. The current Coordinator of the Sectoral Initiative is Roman Samsonov.

VI. Role of the secretariat

22. The Sectoral Initiative invites the Working Party to request the secretariat to continue to support the work of the initiative by trying to raise funds for the proposed project, servicing its meetings (prepare the invitations, agendas, preparing supporting documents and reports) and keeping the website up to date. Contingent upon the availability of extrabudgetary resources the secretariat could assist the Convener in maintaining and developing contacts with the counterparts of the Initiative in national Governments and regional groups, as well as contributing to awareness-raising activities.
