

DEALS

BP Energy Puts \$30 Million Into Onboard Dynamics, Maker of Natgas-Inhaling Units

Onboard's portable units aim to help pipeline operators cut methane vented in the course of repairs or regular maintenance, while the captured natural gas can be reused as fuel



A natural-gas flare on an oil well pad outside Watford City, N.D. New regulation from the Biden administration is expected to ban intentional venting from gas pipelines.

PHOTO: ANDREW CULLEN/REUTERS

By [Luis Garcia](#)

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BP Energy Partners is looking to capitalize on increased efforts to curb methane emissions with a recent growth investment in Onboard Dynamics LLC.

BP Energy has committed \$30 million to Bend, Ore.-based Onboard, a developer of portable units used in pipeline evacuations and in the refueling of natural gas-powered vehicles, said

Loren Soetenga, BP Energy's head of investor relations. With the deal, the private-equity firm acquired a majority stake in Onboard, he said.

The company's portable units siphon off the natural gas that needs to be "bled off," or drained, from pipelines in the course of repairs or regular maintenance. Collecting the gas prevents the release of methane—the main component of natural gas. The units then compress the gas for storage in tube trailers so it can be transported and reinjected into another part of the pipeline or used as fuel, said Onboard Chief Executive Rita Hansen, who co-founded the company in 2013.

Onboard's own gas-collecting units are also powered by the natural gas taken from the pipelines under maintenance, Ms. Hansen noted. Competing products, she said, burn dirtier diesel fuel.

Onboard was born at Oregon State University with funding from the U.S. Energy Department's Advanced Research Projects Agency-Energy, or ARPA-E, and was later backed by angel investors, Ms. Hansen said.

The business caters to utilities and other pipeline operators and is riding a wave of government action to curb methane emissions, part of a broader effort to contain climate change, she said. Methane is a far more potent greenhouse gas than carbon dioxide.



Onboard Dynamics' portable unit, which also runs on natural gas.

PHOTO: ONBOARD DYNAMICS

Among those government drives, Ms. Hansen pointed to the methane-reduction plan the White House released earlier this month, as well as the Protecting Our Infrastructure of Pipelines and Enhancing Safety Act, a law enacted by the Trump administration in December 2020.

Regulators, who must flesh out the workings of that law, have indicated that the rules coming will virtually ban intentional gas-venting from pipelines, Ms. Hansen said. The measure, she

said, reflects a “cultural shift” in pipeline regulation that adds environmental protection to personal safety concerns.

“One of the main boosters for the company’s business is that intentional releases of methane would be forbidden” under new regulation, Ms. Hansen said. “Now that the PIPES Act has come into effect, there’s a lot more activity around methane reduction.”

The company plans to use BP Energy’s investment to manufacture more of its portable units, but also to develop new models capable of handling larger flow rates as the market expands. U.S. operators do tens of thousands of pipeline bleed-offs a year, Onboard estimates.

Onboard also expects to adopt a lease-and-service model similar to that of another BP Energy portfolio company, Mesa Natural Gas Solutions LLC, Ms. Hansen said. Mesa makes generators fueled by natural gas produced from oil and gas wells to supply electricity for field operations, helping to reduce flaring.

“Leveraging BP Energy’s experience in building lease-and-service businesses was one of the main factors that attracted Onboard to BP Energy, in addition to capital, industry knowledge and contacts,” Ms. Hansen said.

Dallas-based BP Energy backs businesses across the natural-gas supply chain and also invests in renewable energy. The firm is investing from its second fund, BP Natural Gas Opportunity Partners II LP, which closed in 2019 with \$348 million.

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