

Connecticut Petroleum Council

A Division of API

Steven Guveyan Executive Director

44 Capitol Avenue
Suite 103-B
Hartford, Connecticut 06106
Telephone 860-246-8846
Fax 860-246-6495
Email ctpetroleum@comcast.net

February 23, 2018

<u>Testimony of Steven Guveyan, Connecticut Petroleum Council, in Opposition to SB-103, Fracking Waste Ban Legislation</u>

The Connecticut Petroleum Council /API---whose members include many companies that hydraulically fracture (HF) for oil, natural gas and propane---strongly opposes SB-103 which places a permanent ban on any HF waste activity in Connecticut. The Connecticut General Assembly disposed of this issue in 2014 when it passed a major law (P.A. 14-200) imposing a moratorium on such wastes and required in the future that they be treated as hazardous waste---a far stricter rule than required by EPA or other states, and one that required a very significant compromise by industry. That compromise should be honored. No change in the law is needed at this time.

This bill is symbolic-only because no HF wastes have been or will be treated, transported, stored or disposed of here. There are no developable oil and natural gas resources in New England, which means there isn't any fracking or fracking waste anywhere in the region, so this bill isn't needed. The real reason some want to ban fracking waste is because it's a back-door way of banning hydraulic fracturing itself---a process that has significantly reduced oil & natural gas prices and greatly benefitted Connecticut residents while making the U.S. the world's energy leader.

- After extensive debate, the Connecticut General Assembly passed a major hydraulic fracturing (HF) waste bill in 2014 (P.A. 14-200) which is the toughest such law in the country; it required a very significant compromise by industry. The law should remain as is. If the current statute does not hold, regulated industries will be dis-incentivized from negotiating in good faith and making concessions on any number of regulatory issues.
- That <u>law includes a moratorium on all HF waste activities and stiff new regulatory criteria for any future activities</u> (if they ever occurred here, which they won't). The moratorium is still effective, so additional legislation isn't needed.
- There has been <u>no showing that the current law hasn't worked</u>, or that any HF by-products have improperly entered the Connecticut waste stream.
- <u>DEEP</u> is authorized to write new HF waste regulations by July 1, 2018, treating such waste more stringently as hazardous waste instead of oil & gas wastes which EPA and other states allow. If the agency doesn't write new regulations (see section 1(e) of the law), the existing moratorium on HF waste activity will continue.

- A separate DEEP regulation passed in 1984 (22a-430-8) already bans Class II underground injection wells, which means no oil or gas HF waste can be buried underground anywhere in Connecticut. New England geology isn't conducive to siting underground injection wells.
- The oil & gas producing region in the Marcellus Shale and Utica Shale (<u>PA, OH, and WV</u>) is just too distant to send wastes to Connecticut for treatment. Today, most of the produced fluids resulting from hydraulic fracturing are actually re-used in industry operations, which is environmentally the most judicious way of handling them.
- HF fluids, which are one of the components of oil and gas waste, typically contain common household chemicals such as: chlorine (added to tap water); citric acid (used in food); table salt; isopropanol (anti-bacterial); and borate salts (laundry detergents), all of which are found in small quantities and in diluted amounts. The exact composition of the fluids used in each well is publicly disclosed on FracFocus.org.
- Finally, this bill is inconsistent with the governor's Comprehensive Energy Strategy which relies heavily on natural gas---a fuel largely produced by hydraulic fracturing. Passage of this bill would make the state look disingenuous, in effect saying: "We want natural gas, but we don't want to think or talk about wastes generated by that gas." In states where there is hydraulic fracturing, the issue of HF wastes has been dealt with extensively by the State Oil & Gas Regulatory Exchange (SOGRE) under its States First Initiative and the State Review of Oil & Natural Gas Environmental Regulations (STRONGER), a multi-stakeholder model which includes state regulators, environmental/ public health advocates and industry.

<u>To conclude</u>: Overwhelmingly, various state laws on wastes require "<u>managing</u>" them through continuous improvement in treating waste streams, <u>not</u> "<u>banning</u>" them. Passage of this bill is symbolic-only, and would not make Connecticut any cleaner, safer or provide any additional environmental protections. We recommend its demise. Thank you for considering our comments.

n u^al cen