



March 22, 2013

Testimony of
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Opposition to HB-5335, Hydraulic Fracturing Legislation

The Connecticut Petroleum Council---a trade association representing the oil and natural gas industry, including major oil companies, refiners, independent drillers and pipelines---opposes HB-5335, which prohibits the possession or storage in Connecticut of any hydraulic fracturing (HF) waste by-product. We also oppose an overall ban of any sort on HF.

No commercial quantities of oil and natural gas are known to exist in Connecticut, nor has there ever been any drilling here, so hydraulic fracturing---a technique used to extract oil and gas from shale and sandstone from the earth's crust, about 1 mile deep---does not take place here. This bill pertains to HF wastes potentially being transported from the Marcellus Shale in New York for treatment or recycling in Connecticut---and bans possession or storage of that waste here. As you know, natural gas derived from the Marcellus Shale is the basis for Governor Malloy's Comprehensive Energy Strategy.

Reasons for Objections

Historically, the Connecticut General Assembly has encouraged manufacturers and sellers to take responsibility for their waste products (bottles, cans, newspapers, mattresses and electronic components such as TV's and computers), and urged or mandated recycling. This bill *bans* natural gas producers from potentially recycling their waste here---a message completely at odds with what the regulated community has been asked to do in the past. The oil and gas industry *takes responsibility* for its waste, but this bill *prevents* the industry from doing so in Connecticut.

DEEP regulations governing the Underground Injection Control Program already ban Class II Underground Injection Wells, which means no oil or gas production waste products can be buried underground in Connecticut. (See: Sec. 22a-430-8) That rule, adopted in 1984, bans any type of underground injection well in the Class I, II, III or IV category. Similar rules have been adopted in the other five New England states.

Companies may want to enter the business of treating or recycling hydraulic fracturing waste or waste water in Connecticut if and when high-volume hydraulic fracturing (HVHF) begins in New York, thereby opening a new line of business and potentially bringing jobs here. This bill prohibits that (since such wastes cannot be "possessed" here), notwithstanding the governor's effort to bring new businesses to Connecticut.

Ban bills such as this one are a back-door attempt to ban the hydraulic fracturing process itself.

Similar bills in other Northeast states have been urged by those who want no natural gas exploration or production or drilling whatsoever. If those bills were all adopted, there would be nowhere to treat HF waste, which means natural gas from the Marcellus Shale would be forever locked-in, unable to be produced, sold or consumed.

Conclusion

Natural gas and oil derived from shale are true game-changers---anchoring the energy revolution taking place in America today. President Obama said in his 2012 State-of-the-Union Address that the U.S. had nearly a one-hundred year supply of natural gas, and that the country needs an all-out, all-of-the-above strategy that develops every available source of American energy. In 2013, in his State-of-the-Union speech, the President said that the natural gas boom has led to cleaner power and greater energy independence, and that his Administration will keep cutting red tape and speeding up new oil and gas permits.

Shale gas currently is being produced in Pennsylvania, West Virginia and Ohio, and oil from shale in North Dakota is just now beginning to make its way into the Northeast. Hydraulic fracturing currently accounts for approximately 60% of the natural gas being produced in this country, and that is expected to increase to 70% in the future. These “shale plays” are putting downward pressure on natural gas prices nationwide, lowering our greenhouse gas emissions, improving our energy security by making us less reliant on foreign fuel, and reducing our trade deficit. The industry is adding many jobs---high paying jobs---which in turn improve the standard of living for many in the U.S., increase tax revenues to government and boost the economy.

Let’s not pass legislation that impedes this progress. Thank you for taking our testimony.

Attachments:

- Boston Globe story, dated Feb. 17th on price impact of oil from shale
- Hartford Courant story dated Sept. 14th regarding Thomaston, CT-based advanced manufacturing company making hydraulic fracturing pumping equipment
- The New London Day story dated December 18th regarding a Stonington, CT-based company developing technology for treating waste water from hydraulic fracturing
- Four-page primer on hydraulic fracturing and horizontal drilling