

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 279 Session of 2015

INTRODUCED BY HUTCHINSON, SCARNATI, AUMENT, STEFANO, WARD, WHITE, VOGEL, VULAKOVICH, BROWNE AND BROOKS, JANUARY 16, 2015

AS REPORTED FROM COMMITTEE ON ENVIRONMENTAL RESOURCES AND ENERGY, HOUSE OF REPRESENTATIVES, AS AMENDED, JUNE 8, 2016

AN ACT

1 Establishing the Pennsylvania Grade Crude Development Advisory
2 Council; and providing for duties of the Pennsylvania Grade
3 Crude Development Advisory Council and the Department of
4 Environmental Protection and, for administrative support AND <--
5 FOR REGULATION OF CONVENTIONAL OIL AND GAS WELLS.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. Short title.

9 This act shall be known and may be cited as the Pennsylvania
10 Grade Crude Development ~~Advisory Council~~ Act. <--

11 Section 2. Definitions.

12 The following words and phrases when used in this act shall
13 have the meanings given to them in the section unless the
14 context clearly indicates otherwise:

15 "Council." The Pennsylvania Grade Crude Development Advisory
16 Council.

17 "CONVENTIONAL OIL AND GAS WELL." A BORE HOLE DRILLED OR <--
18 BEING DRILLED FOR THE PURPOSE OF OR TO BE USED FOR CONSTRUCTION

1 OF A WELL REGULATED UNDER 58 PA.C.S. CH. 32 (RELATING TO
2 DEVELOPMENT) THAT IS NOT AN UNCONVENTIONAL WELL, IRRESPECTIVE OF
3 TECHNOLOGY OR DESIGN. THE TERM INCLUDES, BUT IS NOT LIMITED TO:

4 (1) WELLS DRILLED TO PRODUCE OIL.

5 (2) WELLS DRILLED TO PRODUCE NATURAL GAS FROM FORMATIONS
6 OTHER THAN SHALE FORMATIONS.

7 (3) WELLS DRILLED TO PRODUCE NATURAL GAS FROM SHALE
8 FORMATIONS LOCATED ABOVE THE BASE OF THE ELK GROUP OR ITS
9 STRATIGRAPHIC EQUIVALENT.

10 (4) WELLS DRILLED TO PRODUCE NATURAL GAS FROM SHALE
11 FORMATIONS LOCATED BELOW THE BASE OF THE ELK GROUP WHERE
12 NATURAL GAS CAN BE PRODUCED AT ECONOMIC FLOW RATES OR IN
13 ECONOMIC VOLUMES WITHOUT THE USE OF VERTICAL OR NONVERTICAL
14 WELL BORES STIMULATED BY HYDRAULIC FRACTURE TREATMENTS OR
15 MULTILATERAL WELL BORES OR OTHER TECHNIQUES TO EXPOSE MORE OF
16 THE FORMATION TO THE WELL BORE.

17 (5) IRRESPECTIVE OF FORMATION, WELLS DRILLED FOR
18 COLLATERAL PURPOSES, SUCH AS MONITORING, GEOLOGIC LOGGING,
19 SECONDARY AND TERTIARY RECOVERY OR DISPOSAL INJECTION.

20 "Department." The Department of Environmental Protection of
21 the Commonwealth.

22 Section 3. Pennsylvania Grade Crude Development Advisory
23 Council.

24 (a) Establishment.--There is established the Pennsylvania
25 Grade Crude Development Advisory Council.

26 (b) Composition.--The council shall consist of the following
27 members:

28 (1) The Secretary of Community and Economic Development
29 or the secretary's designee.

30 (2) The Secretary of Environmental Protection or the

1 secretary's designee.

2 (3) One member of the Senate appointed by the President
3 pro tempore of the Senate.

4 (4) One member of the Senate appointed by the Minority
5 Leader of the Senate.

6 (5) One member of the House of Representatives appointed
7 by the Speaker of the House of Representatives.

8 (6) One member of the House of Representatives appointed
9 by the Minority Leader of the House of Representatives.

10 (7) The following members appointed by the Governor:

11 (i) Two representatives of the Pennsylvania
12 Independent Petroleum Producers.

13 (ii) Two representatives of the Pennsylvania
14 Independent Oil and Gas Association.

15 (iii) Two representatives of the Pennsylvania Grade
16 Crude Oil Coalition.

17 (iv) Two representatives of refineries of
18 Pennsylvania grade crude oil.

19 (v) One representative of a nonprofit corporation,
20 which has the purpose of promoting the history and
21 economic benefits of the conventional oil and gas
22 industry in this Commonwealth.

23 (vi) One representative of academia who is a
24 geologist with an expertise in petroleum geology.

25 (vii) One representative of academia who is a
26 hydrologist.

27 (c) Chairperson.--The council shall elect a chairperson from
28 among its members.

29 (d) Meetings.--The council shall meet upon the call of the
30 chairperson, but not less than semiannually. A simple majority

1 of the members shall constitute a quorum.

2 (e) Terms.--

3 (1) Except as set forth in paragraph (2), the
4 legislative members of the council shall serve two-year terms
5 commencing with the first Tuesday in January of odd-numbered
6 years and may be reappointed upon reelection to office.

7 (2) Of the initial members appointed by the President
8 pro tempore of the Senate, the Minority Leader of the Senate,
9 the Speaker of the House of Representatives and the Minority
10 Leader of the House of Representatives, members shall serve
11 until the first Tuesday in January of the first odd-numbered
12 year after the end of the year during which this section
13 takes effect.

14 (3) Of the initial members appointed by the Governor:

15 (i) Four members shall serve initial terms of one
16 year.

17 (ii) Four members shall serve initial terms of two
18 years.

19 (iii) Three members shall serve initial terms of
20 three years.

21 (4) After the initial terms, individuals appointed by
22 the Governor shall serve for a term of three years.

23 (5) Individuals appointed by the Governor may be
24 appointed to successive terms.

25 (f) Vacancies.--Vacancies shall be filled for the remainder
26 of an unexpired term in the same manner as original
27 appointments. A member, upon expiration of the term, shall
28 continue to hold office until a successor is appointed.

29 (g) Quorum.--A majority of the membership of the council
30 shall constitute a quorum for the transaction of business.

1 Action may be taken on a matter before the council by a majority
2 vote of the full membership of the council.

3 (h) Compensation.--Council members may not receive
4 compensation for their services, but shall be reimbursed for all
5 necessary travel and other reasonable expenses incurred in
6 connection with the performance of their duties as members.

7 Section 4. Duties of council.

8 (a) Duties.--The council shall:

9 (1) Examine and make recommendations regarding existing
10 technical regulations promulgated under 58 Pa.C.S. (relating
11 to oil and gas) and policies implemented by the department
12 that impact the conventional oil and gas industry of this
13 Commonwealth.

14 (2) Explore the development of a regulatory scheme that
15 provides for environmental oversight and enforcement
16 specifically applicable to the conventional oil and gas
17 industry.

18 (3) Promote the long-term viability of the conventional
19 oil and gas industry.

20 (4) Assist the Secretary of Environmental Protection
21 with and provide written comments on new departmental policy
22 that will impact the conventional oil and gas industry of
23 this Commonwealth, including economic consequences.

24 (5) Review and comment on the formulation and drafting
25 of all technical regulations proposed under 58 Pa.C.S.

26 (6) Provide institutional support for the conventional
27 oil and gas industry of this Commonwealth by ensuring
28 effective cooperation and communication among governmental
29 agencies and the academic and research community.

30 (7) Recommend appropriate measures relating to the

1 promotion and development of the conventional oil and gas
2 industry of this Commonwealth.

3 (8) Develop a plan to increase Pennsylvania grade crude
4 oil production in an environmentally responsible way to more
5 adequately supply the refineries which depend on Pennsylvania
6 grade crude oil.

7 (9) Develop a joint working group with the department to
8 explore and develop an environmentally responsible and
9 economically viable production water management option.

10 (10) Perform other duties as necessary or appropriate to
11 effect the intent and purposes of this act.

12 (b) Report.--The council shall annually issue a report of
13 its activities and recommendations under subsection (a) to all
14 of the following:

15 (1) The Governor.

16 (2) The President pro tempore of the Senate.

17 (3) The Minority Leader of the Senate.

18 (4) The chairperson and minority chairperson of the
19 Environmental Resources and Energy Committee of the Senate.

20 (5) The Speaker of the House of Representatives.

21 (6) The Minority Leader of the House of Representatives.

22 (7) The chairperson and minority chairperson of the
23 Environmental Resources and Energy Committee of the House of
24 Representatives.

25 (8) THE SECRETARY OF ENVIRONMENTAL PROTECTION. <--

26 Section 5. Duties of department.

27 The department shall have the following duties:

28 (1) To consult with the council on all policies and
29 technical regulations promulgated under 58 Pa.C.S. (relating
30 to oil and gas).

1 (2) To include any written comments of the council
2 received before the department's submission of a proposed
3 rulemaking package of technical regulations under 58 Pa.C.S.
4 to the Environmental Quality Board, as part of its submission
5 to the Environmental Quality Board.

6 (3) To provide technical assistance required by the
7 council to carry out its duties under this act.

8 Section 6. Administrative support.

9 The Department of Community and Economic Development shall
10 provide administrative support, office space and any other
11 technical assistance required by the council to carry out its
12 duties under ~~this act~~ SECTIONS 3, 4 AND 5. <--

13 SECTION 7. RULEMAKING CONCERNING CONVENTIONAL OIL AND GAS <--
14 WELLS.

15 (A) ABROGATION.--THE GENERAL ASSEMBLY FINDS AND DECLARES
16 THAT THE RULEMAKING CONCERNING STANDARDS AT OIL AND GAS WELL
17 SITES APPROVED BY THE ENVIRONMENTAL QUALITY BOARD IN 2016 PRIOR
18 TO THE EFFECTIVE DATE OF THIS ACT IS ABROGATED INSOFAR AS SUCH
19 REGULATIONS PERTAIN TO CONVENTIONAL OIL AND GAS WELLS. THIS
20 SECTION APPLIES REGARDLESS OF THE DATE OF PUBLICATION OF FINAL-
21 FORM RULEMAKING IN THE PENNSYLVANIA BULLETIN.

22 (B) FUTURE RULEMAKING.--ANY RULEMAKING CONCERNING
23 CONVENTIONAL OIL AND GAS WELLS THAT THE ENVIRONMENTAL QUALITY
24 BOARD UNDERTAKES AFTER THE EFFECTIVE DATE OF THIS ACT SHALL BE
25 UNDERTAKEN SEPARATELY AND INDEPENDENTLY OF UNCONVENTIONAL WELLS
26 OR OTHER SUBJECTS AND SHALL INCLUDE A REGULATORY ANALYSIS FORM
27 SUBMITTED TO THE INDEPENDENT REGULATORY REVIEW COMMISSION THAT
28 IS RESTRICTED TO THE SUBJECT OF CONVENTIONAL OIL AND GAS WELLS.

29 Section 7 8. Effective date. <--

30 This act shall take effect immediately.