



Pennsylvania Department of Environmental Protection chief defends regulation of Marcellus Shale drilling

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State Department of Environmental Protection Secretary John Hanger discusses regulating drilling in the Marcellus Shale and the documentary "Gasland."

The state Department of Environmental Protection announced last week it is investigating a new instance — this one in Bradford County — of natural gas suddenly appearing in people's water wells after Marcellus Shale drilling nearby.

This time the gas is bubbling up out of the Susquehanna River, too. It's called "gas migration."

It's not new, and it's not exclusive to Marcellus drilling. It can happen with various kinds of land disturbance, when shallow gas underground is afforded a route to the surface.

DEP Secretary John Hanger discusses what his agency is doing to regulate Marcellus Shale drilling, why natural gas is better than other fossil fuels and whether or not Pennsylvania's water is in danger.

Q: In the two years since you were appointed Secretary of DEP, the agency has instituted a number of changes in regard to Marcellus Shale drilling. You've more than doubled your oil and gas inspection staff, opened offices in Williamsport and Scranton. You've paid for it by increasing permit fees, which have generated more than \$10 million a year. You've instituted water quality standards so companies wanting to return frack water to rivers must first treat it to drinking water standards. Nevertheless, you're taking heat from Josh Fox, the director of the film Gasland, and there's a public perception that you're behind the eight-ball on Marcellus. What do you say to that?

A: Well, I'd add to that list two other items done in 2008. We put up the list of chemicals used in fracking, and we just recently updated that list. We also required with the application of every drilling permit a water plan that would specify where the water would come from. That's an important regulatory tool to make sure any withdrawals do not cause damage to an aquatic system.

Both have been in effect now for two years. What we've been trying to do is grow with the industry. I think by and large we've actually been successful. The combination of [the new rules] really means that Pennsylvania's waters have never had more protection in the history of the state.

The law doesn't allow us to just snap our fingers and declare new regulations are in place. The rule making process in Pennsylvania is lengthy. I think we're to the point now we've created a very sound regulatory program on paper and in practice.

Q: You can't impose a moratorium on drilling. To what extent are you the scapegoat for liberals frustrated by lack of action from the state legislature?

A: Look, the job of serving as secretary is to try to implement policy in a way that reflects the truth and existing law. It's not really our job, frankly, to try to make anyone or any group happy. Our job is to be neither friend nor foe. We're the regulators. We're supposed to be independent, professional and fair.

The performance of the industry is raising more questions with more people every month. The industry should — I think — take very seriously the public confidence, or lack of confidence, in its operations. Some in the industry think people will go along with them because of the money and jobs it's bringing, no matter what. I don't think that's accurate.

There are more people who have no direct benefit from the industry. For them, hosting this industry is not about being employed or having new wealth. In some cases it's an inconvenience, and for some, unfortunately, it has meant losing their water. That's a calculation this industry should be focused on.

We work every day to try to maximize the benefits natural gas production can bring to the state and to minimize the cost. I've said from the beginning that Marcellus Shale drilling is industrial activity. People need to fully understand that. There are risks that are managed and controlled and regulated, but not extinguished. Even when drilling is done well, there are some impacts on the land and costs imposed on communities.

Q: There are gas migration problems sprouting up throughout the Marcellus region. Is this industry an inherent danger to drinking water in Pennsylvania?

A: The industry — when it operates at levels of excellence — is not an inherent danger. Companies that are not operating at that level have created significant problems.

Gas migration is not a new issue. There were problems well before the first Marcellus well was drilled. One of the things I think is good about Marcellus is everybody's paying attention now. Prior to 2008, drilling was pretty much out of sight, out of mind in Pennsylvania. I think it's healthy, that attention.

We're working to address the issue in a number of ways, and the new well construction standards are a major part of that. At this point, I think, the industry knows how to drill these wells in a manner to prevent gas migrating, and now the industry must perform. It's not good enough now to be fixing a problem after the fact. From here on, it's really a performance issue.

Will this industry follow the rules, spend the money and take the steps to make gas migration a very unusual event? If the industry doesn't do that, gas migration alone can cause whole counties to turn against the industry.

Q: On that note, before becoming secretary, you were founder and CEO of PennFuture — arguably the most powerful environmental group in Pennsylvania. You were the bugbear candidate for this position among many Republicans in the northern tier, a regulate everything tree-hugger. Two years later, many of those same Republicans are saying DEP isn't regulating enough. God can be a cruel jokester, no?

A: I'm very focused on facts, very focused on what works. I strongly dislike ideologies because I think they become an excuse for not thinking.

That kind of approach to problem solving, I think, gets the country into a mess and certainly won't deal with this issue effectively.

Self-regulation doesn't work. We tried it with the financial industry, and it just about created a great depression. Time and again, self-regulation shows it doesn't work. Good Pennsylvania common sense tells you that.

I have a good driving record, but I admit, I drive better when I see a state policeman up ahead or suspect one around the corner. Everyone does better when they expect accountability. It's just human nature. With the Deepwater Horizon in the Gulf, BP made a series of decisions over four or five months, and just about at every turn, when given a choice between something that saved money and an alternative that was safer but took longer and was more expensive, BP chose the cheaper route.

I don't think we should all be shocked that financial pressures could drive companies in that direction. Responsible, professional and independent oversight does not mean shut the industry down, and it doesn't mean the industry is happy about everything.

I spent 25 years of my life developing an expertise in energy. One thing I've learned is there's no perfect source out there. Natural gas needs to be judged by comparing it to the alternatives. If we are not going to develop natural gas, we're going to get that energy from somewhere else, and in the short run it's going to come primarily from coal and oil — dirtier alternatives with more environmental impacts. I spent 10 years leading the charge for more solar and more wind.

We helped make Pennsylvania a leader in clean energy, but if we don't use natural gas in the short run, we're going to use much more of the other two fossil fuels. Natural gas is not perfect, [but] it is much cleaner.

Q: What assurances can you give that fracking chemicals are not - and will never be - contaminating the drinking water of the Commonwealth?

A: First, we need to distinguish between two sources: the surface and fracking fluids that are put deep underground.

We've had spills and leaks of a variety of contaminants at the surface, and we've had some homes lose water service because of contamination at the surface.

We've had a relatively small number of fish kills because of spills and leaks at the surface. Gasland talks about Dunkard Creek — an environmental disaster — but everything we know about Dunkard Creek at this point indicates the primary source of the problem was a coal mine in West Virginia.

In terms of frack fluid injected deep underground, we have not found yet, as of today, one case in Pennsylvania where these frack fluids have come back up from 5,000 to 8,000 feet underground and contaminated someone's water.

That's the facts. We do support the EPA looking into it — in part because more science is always better and in part because the public has lots of questions about it.

For a long time the industry basically said (about what chemicals they used) "We're not going to tell you. Trust us." That's insane. That industry position is just literally, to me, crazy. It's understandable why it raises suspicion.

Combine it with things going on in Washington, like with the so-called Halliburton loophole, and soon you have a narrative that can quite easily spook good people. Can I promise forever there will be no problem? No, I can't promise forever. I don't believe the risks are high at all for chemicals returning from deep underground. I'm much more concerned about spills and leaks at the surface.

I'm much more concerned about gas migration, which has nothing to do with fracking. What I don't like is when some in the industry leave the impression — quite deliberately — that there's no problem with drilling. And on the other hand, I don't like people leaving out information to create fear for their agenda. I think we all owe the public as good information as we can provide them.

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