Testimony of the Marcellus Shale Coalition

Submitted by:
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Marcellus Shale Coalition
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June 9, 2022 Public Hearing

Jared E. Barker, Chief Clerk
Allegheny County Council
436 Grant Street, Room 119
Pittsburgh, PA 15219

Re: Allegheny County Proposed Ordinance 12162-22

Dear Mr. Barker:

The Marcellus Shale Coalition (MSC), a regional trade association with a national membership, appreciates the opportunity to submit these comments regarding the above-referenced proposed Allegheny County Ordinance. The MSC was formed in 2008 and is currently comprised of approximately 115 producing, midstream, transmission and supply chain members who are fully committed to working with local, county, state and federal government officials and regulators to facilitate the development of the natural gas resources in the Marcellus, Utica and related geological formations. Our members represent many of the largest and most active companies in natural gas production, gathering, processing transmission and utilization in the country, as well as the suppliers, contractors and professional service firms who work with the industry.

The MSC represents member companies and their employees who are employed, live and raise their families within Allegheny County and would be negatively impacted should the proposed ordinance be adopted. Furthermore, as discussed below, the MSC also believes the citizens of Allegheny County at large would be negatively impacted by adoption of this proposed ordinance.

It is important to note that nothing currently requires Allegheny County to lease for development any of its surface or subsurface rights that it owns relative to county parks. However, under the proposed ordinance, Allegheny County is essentially depriving itself of the ability to even entertain future potential opportunities, including those opportunities which may generate revenue that allows the County to fulfill its duties to maintain parklands for the benefit of current and future residents.

Allegheny County and its residents have already benefitted substantially from the development of its natural gas resources. For example, the County’s lease for development of natural gas resources underlying Deer Lakes Park has generated over $4.5 million in lease bonus payments;
$3 million for park improvements; and over $7.7 million in royalties. This revenue has enabled Allegheny County to make substantial improvements to its park system, to the benefit of its residents, while saving county residents a commensurate amount of tax dollars. Furthermore, this development has occurred via a non-surface disturbance lease which has allowed residents continued - and enhanced - use of the park and its amenities without disruption.

This limited development, with no surface impacts to county-owned land, has been done consistent with the County’s public trust duties. Given that the County also owns these natural gas resources, it stands to reason that, as trustee, the County has a responsibility to use these resources prudently for the benefit of its residents. Failure to even consider future development opportunities would deprive County residents of the benefit of these resources to which the County is entrusted.

Pennsylvania shale gas development is among the most strictly regulated industries in the nation, and its environmental compliance rate is among the highest of any industry in Pennsylvania. Moreover, because development can only occur with the consent of the owner of the natural resource, the property owner – in this case, Allegheny County – is uniquely situated to negotiate terms and conditions which are advantageous to the County and its residents. For example, in addition to the economic benefits of its Deer Lakes Park lease, the County worked to ensure that other activities which were occurring on private lands adjacent to the park were mitigated, while also insisting upon additional water and air quality monitoring. The willingness of the County to consider a lease positioned itself to negotiate these additional measures to the benefit of the public interest.

The MSC and its members encourage all policymakers to be guided by facts and science. To this end, I am attaching an overview of health and environmental impact studies, from credible third-party experts, that may be helpful during your deliberations.

In conclusion, on behalf of our member companies and their employees, we urge County Council to forego adoption of this ordinance. Maintenance of the status quo simply ensures that Allegheny County is well positioned to consider – on its own terms and conditions – whether any future development proposals would provide a public benefit to the citizens it represents. Adoption of this ordinance unnecessarily deprives Allegheny County and its citizens of this potential.

Thank you for your consideration of these comments.

Respectfully,

[Signature]

David E. Callahan, President
Marcellus Shale Coalition

Attachment
Health & Environmental Impacts Studies

Safe, Responsible Pennsylvania Natural Gas Development

Research confirms natural gas is safely and responsibly developed in Pennsylvania. It is a testament of the industry’s commitment to excellence and willingness to work alongside regulators and other stakeholders to ensure we are providing the energy to power society while adhering to the highest of environmental standards.

AIR QUALITY

*As Pennsylvania is firmly positioned as America’s second largest natural gas producing state, the abundance of this resource has helped reduce emissions within our borders and across the country.*

- Appalachia – despite being the largest producer – has among the lowest methane emission intensity of all major oil and natural gas basins in the country. *Benchmarking Methane and Other GHG Emissions of Oil & Natural Gas Production in the United States, Clean Air Task Force, Ceres (June 2021)*

- Rystad Energy’s analysis reveals CO2 emissions intensity levels in the Appalachian Basin are “best-in-class” in America. Rystad Energy’s Scope 1 upstream emissions analysis shows Appalachia is the top region in the country, with 7.1 kg of CO2 per barrel of oil equivalent (boe) in 2020.
  
  o “Such a level of CO2 intensity performance brings Appalachia to the top quartile among all oil and gas fields globally. As the basin becomes more mature and modern ESG best practices are implemented, we anticipate Appalachia to improve further in its CO2 intensity dimension in the next three to four years.” – Emily McClain, Sr. analyst, Rystad Energy *A gas boom is coming in the US: A closer look at Haynesville and Appalachia, Rystad Energy (April 2021)*

- Pennsylvania had the highest absolute decline of energy-related CO2 emissions (42.4 MMt) of any other state from 1990 to 2018, resulting in a more than 16% reduction over this time period. *State Energy-Related CO2 Emissions by Year, Energy Information Administration (March 2021)*

- “Our results clearly suggest that [natural gas] is a clean source of energy. And on top of that, we can suggest a lot of gas with a very low leakage overall from the infrastructure.” – Co-author Thomas Lauvaux during a 2017 Penn State webinar on the study. *Quantifying methane emissions from natural gas production in north-eastern Pennsylvania, Barkley et al. (2017)*
“All individual [volatile organic compound] concentrations in the monitored area were well below health-protective levels.”

*Air monitoring of volatile organic compounds at relevant receptors during hydraulic fracturing operations in Washington County, Pennsylvania* (2016)

**WATER QUALITY**

*Water is a key component to the unconventional natural gas development process, and numerous scientific studies have proven natural gas poses no threat to area water quantity or quality.*

- “Natural gas development has had no discernable impact on water quality in the Susquehanna River Basin.”
  *Susquehanna River Basin Commission - Remote Water Quality Monitoring Network* (June 2019)

- “Collectively, our observations suggest that [shale gas development] was an unlikely source of methane in our valley wells.”
  *Methane in groundwater before, during, and after hydraulic fracturing of the Marcellus Shale, Yale University* (July 2018)

- “Based on consistent evidence from comprehensive testing, we found no indication of groundwater contamination over the three-year course of our study.”
  *Duke University Study (Commissioned by NRDC)* (2017)

- “The most interesting thing we discovered was the groundwater chemistry in one of the area’s most heavily developed for shale gas – an area with 1400 new gas wells – does not appear to be getting worse with time, and may even be getting better.”
  *Bradford Co. water quality improves; impacts rare near shale gas wells, Pennsylvania State University* (June 2018)

- “We found no relationship between CH4 concentration or source in groundwater and proximity to active gas well sites.”
  - “Our data do not indicate any intrusion of high conductivity fracking fluids as the number of fracking wells increased in the region.”
  *Monitoring concentration and isotopic composition of methane in groundwater in the Utica Shale hydraulic fracturing region of Ohio, University of Cincinnati* (May 2018)
PUBLIC HEALTH

As an industry deeply committed to protecting the health, safety and environment of our communities, we support fact-based and objective scientific research, and the data shows natural gas development is not a threat to community health and safety.

- “The drop in natural gas prices in the late 2000s, induced largely by the boom in shale gas production, averted 11,000 winter deaths per year in the US.”


- “Studies tying shale development to negative public health impacts used imprecise measures, failed to consider other possible factors, and, in some cases, were poorly designed.”

  *Potential Human Health Effects Associated with Unconventional Oil and Gas Development: A Systematic Review of the Epidemiology Literature*, Health Effects Institute (September 2019)

- “Overall, there are conflicting findings across studies resulting in either mixed or insufficient evidence of adverse birth outcomes associated with living near ONG operations during pregnancy.”


- “Incidence rates...were not consistently and statistically significantly higher than expected in all three time periods analyzed.”

  o “EFOT incidence rates for both males and females were lower [in Washington County] than the rest of the state for all three time periods and were not statistically significant.”

  o “Childhood cancer incidence rates in the school district decreased during the last two time periods.”


- “There is little potential for harm to workers or the public from radiation exposure due to oil and gas development.”

  o “There is little or limited potential for radiation exposure to the public and workers from the development, completion, production, transmission, processing, storage, and end use of natural gas.”
• “There is little potential for radiation exposure to the public and workers from landfills receiving waste from the oil and gas industry.”
  
  *DEP Study Shows There is Little Potential for Radiation Exposure from Oil and Gas Development*, Pennsylvania Department of Environmental Protection (2015)

• An average American is exposed to about 620 mrems/year; comparatively, exposure to workers at an oil and/or gas well site is expected to be less than 30 mrems. These exposure numbers “has not been shown to cause humans any harm.”
  
  *Doses in our Daily Lives*, Nuclear Regulatory Commission