

**Testimony before a Joint Hearing of the PA Senate Environmental Resources and Energy
Committee and the Consumer Protection and Professional Licensure Committee**
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By Andrew Williams, Director Regulatory and Legislative Affairs

Chairman Yaw, Chairman Tomlinson, Committee Members, thank you for your time, my name is Andrew Williams, and I am the Director of regulatory and legislative affairs for the Environmental Defense Fund (EDF), a national environmental advocacy group with 75,000 members in Pennsylvania.

EDF applauds the efforts by the Chairman Yaw and other members to develop a responsible framework to better assess and deal with the inherent risks associated with pipeline design, construction, operation and maintenance. EDF is not an organization immediately opposed to pipeline development when that development is determined necessary. We are deeply engaged in the FERC process pushing for updated pipeline pricing mechanisms that align with the needs of the emergent largest pipeline user, power generation, and more effectively allocate the costs and benefits of new pipeline capacity.¹

In addition to our focus on economics, EDF is highly focused on safety and pipeline risk management. We are involved in many states and at the federal level pushing for the use of advanced leak detection and better data analysis.² It is essential to the success of any pipeline project for the company and the public to comprehensively understand and be able to plan for potential risks and emergencies – that includes a comprehensive environmental assessment. Unfortunately, here in Pennsylvania, we have seen first-hand the negative impacts of bad planning and an overall failure of Sunoco and Energy Transfer to properly identify and manage the risks of the Mariner projects. These negative impacts are largely preventable through proper planning and oversight.

Governor Wolf and now the Public Utilities Commission (PUC) did the right thing by halting construction on the Mariner 2 East project, but that is simply not enough – it is time to hold bad actors accountable for direct and negative impacts to the public and require that companies have a comprehensive plan to reduce the overall risk of their operations. It is simply unacceptable that many people are still without water resources – now for over six months in some places according to my conversations with impacted residents.

¹ See, EDF Reply Comments, FERC docket RM18-1 (Nov. 7, 2017); available at https://elibrary.ferc.gov/idmws/file_list.asp?document_id=14617822.

² See EDF Comments, PHMSA 2011-0023 (July 7, 2016); Notice of Proposed Rulemaking Gas Pipeline Safety.

According to PHMSA, Safety Culture is defined as the shared values, actions, and behaviors that demonstrate a commitment to safety over competing goals and demands. It can really be as easy as making the commitment to “safety first.”³ In comparison to the bad example above, there are several good actors, or companies operating in Pennsylvania and nationally that take safety very seriously and prioritize up-front risk assessments and management – why not learn from those good examples?

It is possible to build a system that truly and responsibly balances the risk of installing, operating and maintaining pipelines in our communities with the economic interests of oil and gas companies. We really can have a healthy and safer environment and a strong economy at the same time – they are not mutually exclusive.

For example, EDF worked with Peoples Natural Gas in Pittsburgh, a company with an organizational culture built around safety, the environment and continuous improvement that goes all the way up the chain to the CEO himself. The use of advanced leak detection and strong data analytics is important because it allows companies to better assess future problems before they happen or to fix existing problems before they become serious.

Another example of a company with a systemic approach to safety and environmental management is Boardwalk pipeline, not a huge player here in Pennsylvania, but an example of how good organizational structure and culture can lead to proactive and positive outcomes.

EDF is very narrowly involved with a project coordinated by the American Petroleum Institute, which is working on expanded and improved oversight of unregulated pipeline systems – often called gathering systems. These voluntary efforts are not a reasonable alternative to administrative oversight, but this is another example of where some companies are taking proactive steps to better understand and comprehensively manage their assets.

In addition, EDF supported a piece of legislation in the Pennsylvania House of Representatives that made it a requirement to include the location of natural gas gathering pipelines in the emergency response notification system – or one-call system. Knowing where the pipes are is just step one, but there are currently no regulations that even require natural gas gathering pipeline operators to find and fix leaks. It is EDF’s position that periodic leak surveys should also be a requirement for all pipeline facilities, not only to guard against safety concerns, but also environmental risk.

We know leaks are a problem here in Pennsylvania, there is substantial evidence of gas leaks detailed in many peer-reviewed studies, but also in the formal record from a 2013 PUC case that indicates at least one legacy natural gas gathering system had a loss rate of 70%.⁴ That specific natural gas gathering system was losing 70% of the total amount of gas entering the system.

³ Also see API Recommended Practice 1173.

⁴ Pennsylvania Public Utility Commission Docket Nos. A- 2013-2353647, A-2013-2353649. A-2Q13-2353651; Bureau of Investigation and Enforcement’s (I&E) Prehearing Conference Memorandum (May 8, 2013).

This is not surprising to those of us familiar with Pennsylvania. It is a fact that the first oil well was drilled here in the state and Pennsylvania has some of the oldest oil and gas infrastructure in the US. In addition, EDF's own analysis estimates that Pennsylvania oil and gas producers under-report natural gas leaks, or methane emissions by as much as five hundred percent.⁵

As the second largest natural gas producing state, with a very strong economic future, it is imperative that proper and responsible oversight be exercised over the pipeline industry. It is not enough to say that most companies will do the right thing, we are learning first-hand what will happen when even one pipeline operator does the wrong thing.

We believe that with the proper focus and a commitment to the fact that Pennsylvania needs to pass new laws that balance the inherent risk to communities that pipelines pose with the economic needs of the pipeline operators, it can be done.

On behalf of the Environmental Defense Fund, thank you for your attention today.

⁵ <https://www.edf.org/pa-oil-gas/#/reports>