Report says Proposed Fracking Law Won't Stop Industry, House Investigates the Controversial Practice

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The Perch

There's a natural gas frenzy taking place in North America, fueled by the recent discovery of reserves locked away in geological formations, and technological advances that enable us to tap into them (namely hydraulic fracturing ("fracking") and horizontal drilling that allow companies to remove natural gas from shale formations and tight sandstones). We're talking a lot of natural gas—perhaps enough to satisfy at least a century of consumption at current rates. The rush to develop the resource is understandable: States, straddled with financial woes, and natural gas developers stand to make billions of dollars. But environmentalists and some communities near proposed and existing operations are concerned that drilling will contaminate water supplies.

A new study released yesterday found that federal regulation of fracturing wouldn't have much effect on shale gas development. The report, written by energy industry analysts at IHS Cambridge Energy Research Associates, also concluded that drinking water has already been "safeguarded from contamination." (Download the summary here.)

"The well-drilling process, including water management, is regulated at the state and local levels," the executive summary says. "Those activities that are currently within the purview of the Safe Drinking Water Act are often delegated to the individual states by the US Environmental Protection Agency, and this would be unlikely to change if fraccing were explicitly brought within its provisions."

Fracking involves injecting fluid under high pressure into rock fractures, enlarging the cracks and allowing gas to move more freely into a production well.

Energy In Depth, an industry group formed to ward off federal fracking regulation, disagreed with the findings. "Anyone suggesting the FRAC Act will only have a minor impact on shale gas exploration efforts isn't quite shooting you straight," Energy In Depth's Chris Tucker told E&E (subscription required). "For starters, not all states currently have primacy over SDWA enforcement -- Pennsylvania, New York and Michigan among them. ... We're talking about the possibility of a significant disruption of shale gas activity across the board -- not just in states without primacy."

Much fracking activity is focused on the Marcellus Shale, a black shale formation that extends from Ohio and West Virginia northeast into Pennsylvania and southern New York.

Fracking opponents are calling for federal regulation. The 2005 energy bill exempted fracking regulation under the Safe Drinking Water Act. Rep. Diana Degette (D-CO) and Sen. Bob Casey (D-PA) have introduced the FRAC Act, which would empower the EPA to regulate fracturing. Right now, the bills are in committee. The House Energy and Commerce Committee announced last month that it is launching an investigation into fracking.

On Feb. 18, the committee sent letters to eight oil and gas companies that employ hydraulic fracturing, requesting information on which chemicals the companies use in fracturing fluids (something fracking opponents have asking for, but companies have insisted is proprietary info) and the practice's potential impact the environment and human health.

"Hydraulic fracturing could help us unlock vast domestic natural gas reserves once thought unattainable, strengthening America's energy independence and reducing carbon emissions," said Chairman Waxman. "As we use this technology in more parts of the country on a much larger scale, we must ensure that we are not creating new environmental and public health problems. This investigation will help us better understand the potential risks this technology poses to drinking water supplies and the environment, and whether Congress needs to act to minimize those risks."

The time to act is now. The CERA report notes that shale gas accounted for 1 percent of natural gas supply in 2000, makes up 20 percent of our current supply, and will account for 50 percent by 2035.