

Resolution on Ensuring Sustainable Natural Gas Development

WHEREAS, Over the past several years American consumers have benefited from substantially lower and more stable natural gas prices due to the development of technologies that allow energy producers to access significant supplies of domestic natural gas from shale formations and other unconventional reservoirs; *and*

WHEREAS, Continuing development of this new natural gas supply will further benefit consumers, provide new jobs, and lead to lower net emissions of carbon dioxide, nitrogen oxide and sulfur dioxide; *and*

WHEREAS, Recently, the completion practices required to produce natural gas, specifically from shale formations, have attracted considerable attention in public policy circles; *and*

WHEREAS, NARUC has long supported sustainable resource development and balanced efforts to ensure reliable U.S. energy resources developed in an environmentally responsible manner; *and*

WHEREAS, There have been significant environmental concerns raised with regards to natural gas development, and efforts are being taken by States and public and private groups to mitigate any potential adverse environmental impacts; such efforts need to be ongoing and strengthened; *and*

WHEREAS, In May 2011, the Board of Directors of the American Gas Association adopted a *Position Statement on Responsible Natural Gas Resource Development*. In this Position Statement, AGA and its members, which deliver two thirds of the natural gas consumed in the nation, adopted nine principles that stated, in part, that AGA and its members “believe it is critical to engage all stakeholders in the process of meeting economic, environmental, and regulatory goals, to share information transparently, and – based on lessons learned – to continually refine and improve safety and environmental practices;” that “natural gas producers must be committed to operational standards that ensure safe, environmentally sound, responsible, economically sensible and sustainable development of natural gas resources in the United States,” and that “State and local governments have the obligation to implement regulatory constructs that protect the environment and consumer interest. To accomplish these ends they should have adequate manpower and funding resources. State agencies should likewise have sufficient resources to evaluate and responsibly facilitate timely access to public lands and permits when required;” *and*

WHEREAS, On August 11, 2011, the *Shale Gas Subcommittee of the Secretary of Energy Advisory Board* issued its Ninety-Day Report, which presented recommendations that if implemented would reduce the environmental impacts from shale gas production. These detailed recommendations stress the importance of a process of continuous improvement in shale gas production, support the implementation of best practices, and support increased measurement and disclosure. While many companies are following such a process, much broader and more extensive adoption is warranted. The Ninety-Day report also recommends improved public information about shale gas operations, support improved communication among State and

federal regulators, and call for continuing annual support to *STRONGER (the State Review of Oil and Natural Gas Environmental Regulation)* and the *Ground Water Protection Council* for expansion of the *Risk Based Data Management System* and similar projects that can be extended to all phases of shale gas development. These recommendations cover improvements in air quality, protection of water quality, disclosure of fracking fluid composition, reduction in the use of diesel fuel, and managing short-term and cumulative impacts on communities, land use, wildlife and ecologies. In organizing for best practices, the Secretary's subcommittee also calls for the creation of a shale gas industry production organization dedicated to continuous improvement of best practice; *now, therefore be it*

RESOLVED, That the National Association of Regulatory Utility Commissioners, convened at its 2011 Annual Meeting in St. Louis, Missouri, upon recommendation of the Committee on Gas, commends the American Gas Association and the Shale Gas Subcommittee of the Secretary of Energy Advisory Board for their efforts and support for the continuous improvement of shale gas production in a cost-effective and environmentally-responsible manner.

Sponsored by the Committee on Gas, Electricity, and Energy Resources and the Environment

Recommended by the NARUC Board of Directors November 15, 2011

Adopted by the NARUC Committee of the Whole November 16, 2011