

**STAFF MEASURE SUMMARY****House Committee On Energy and Environment****Fiscal:** Fiscal impact issued**Revenue:** No Revenue Impact**Action Date:** 04/21/15**Action:** Do Pass As Amended, Be Printed Engrossed, And Bill Be Referred To Ways And Means.**Meeting Dates:** 04/07, 04/21**Vote:**

Yeas: 5 - Boone, Helm, Holvey, Reardon, Vega Pederson

Nays: 4 - Bentz, Heard, Johnson, Weidner

**Prepared By:** Beth Patrino, Committee Administrator**WHAT THE MEASURE DOES:**

Directs Departments of Geology and Mineral Industries (DOGAMI) and Environmental Quality (DEQ) to conduct review of statutes and rules applicable to hydraulic fracturing and prepare report including recommendations for legislation or rulemaking necessary to ensure hydraulic fracturing is conducted in accordance with best practices. Requires report submittal to interim legislative committees on or before September 15, 2016. Requires person seeking authorization to conduct hydraulic fracturing to demonstrate to DOGAMI that specified best practices will be employed, including disclosure of components and chemicals used during fracturing and those that will remain onsite, well construction and integrity to protect ground water, water monitoring to ensure water quality is maintained, minimization of amount of fresh water consumed, and capture of methane at wellhead to extent practicable. Authorizes DOGAMI and DEQ to adopt rules as necessary. Repeals best practices provisions on January 1, 2025. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Importance of adopting regulations before hydraulic fracturing takes place in Oregon
- Concerns including seismic activity and contamination of ground water
- Opportunity to support Common School Fund through increased natural gas production

**EFFECT OF COMMITTEE AMENDMENT:**

Replaces measure.

**BACKGROUND:**

Hydraulic fracturing is a well stimulation process used to maximize the extraction of underground resources, including oil, natural gas, geothermal energy, and water. The oil and gas industry uses hydraulic fracturing to enhance subsurface fracture systems to allow oil or natural gas to move more freely from the rock pores to production wells. The process involves fluid commonly made up of water and chemical additives, some of which rises to the surface after fracturing is completed and must be disposed of.

House Bill 3415A would direct the Departments of Geology and Mineral Industries and Environmental Quality to review statutes and rules that are applicable to hydraulic fracturing and prepare a report including recommendations for legislation or rulemaking that is necessary to ensure hydraulic fracturing is conducted in accordance with best practices.