

By-Lined Article

PENNSYLVANIA MINING AND DRILLING INDUSTRIES SAY PROPOSED WATER REGULATIONS MAY COST BILLIONS

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Regulations proposed by an arm of the Pennsylvania Department of Environmental Protection (DEP), the Environmental Quality Board, would restrict the level of total dissolved solids (TDS) at water discharge points. If enacted, these regulations would cost mining, drilling and other industries in Pennsylvania billions of dollars in up-front capital costs and tens of millions in yearly operation and maintenance costs, according to industry officials.

"These regulations are about as rigorous as they can get," said George Ellis, president of the Pennsylvania Coal Association. "And we believe completely unnecessary."

Ellis said an internal survey of his association members determined the coal-mining industry alone would have to spend \$1.3 billion to buy the technology required to comply with the TDS standards—and spend an additional \$133 million a year in operating and maintenance costs.

"We would have to use a reverse-osmosis technology to comply with the standards, a technology we would have to buy overseas," Ellis said.

The executive director of the Independent Oil & Gas Association of Pennsylvania, Louis D. D'Amico, said companies that treat the wastewater from drilling operations estimate their costs would triple if the regulations were approved as written.

"The crazy thing is that the water treatments required under the proposed regulations are very energy intensive," D'Amico said. "You're actually causing more pollution to eliminate what isn't a problem in the first place."

TDS is composed of inorganic salts, organic matter and other materials dissolved in water. They can be present naturally in water or can be the result of runoff, mining, or industrial or municipal treatment of water, according to the DEP's proposed regulations. The federal government and most states have no TDS regulations.

A DEP official said the proposed Pennsylvania standards stem from the increased use of a recently devised drilling technique used for natural gas extraction in the Marcellus Shale, a geologic formation that runs through a large swath of western Pennsylvania. The drilling technique applies water under high pressure—known as hydraulic fracturing—to increase gas extraction.

However, the regulations would cover all industries with new or increased discharges of TDS, including manufacturing industries, DEP officials said.

A public comment period on the proposed language ends on February 5, 2010. DEP will then revise the rules, setting the stage for final review and implementation. It is aiming for a November 2010 final approval deadline, and a January 2011 compliance deadline.

"This is a legacy issue for the Rendell administration," Ellis said. "They are very intent on getting this done by next November."

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