

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT TO CONSIDER FRACKING REGULATIONS

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On October 5, 2012, the Governing Board of the South Coast Air Quality Management District (AQMD) will convene in regular session to discuss, among other things, possible regulation of hydraulic fracturing, or “fracking,” in the South Coast Basin.

Tomorrow’s meeting follows on the heels of the AQMD’s September 18 fracking symposium, which we reported on previously (see our September 19 reports). As indicated on the agenda for tomorrow’s meeting, the fracking symposium provided “[a]n overview of the use of hydraulic fracturing, potential environmental impacts, and current activities at the federal, state, and local levels,” followed by a roundtable discussion with “representatives from the state legislature, environmental organizations, industry, and academia regarding the state of hydraulic fracturing and to solicit recommendations for future actions that the Board may consider.”

The staff report submitted for the Board’s consideration at tomorrow’s meeting — “Report on ‘Hydraulic Fracturing in the South Coast Air Basin’ Technology Symposium and Recommendations for Future Actions” — summarizes the fracking symposium, including detailed synopses of each speaker’s presentation and copies of their written materials. Ultimately, the report recommends that the Board direct staff to initiate rule development to include the following:

1. When hydraulic fracturing is used in oil and gas production activities to report the chemicals used, additional reporting information will be determined as part of the rule development process. The proposed rule may include other reporting and public notification requirements.
2. Determine if existing AQMD regulations adequately cover oil and gas production activities when hydraulic fracturing is used. Develop additional provisions to ensure that air emission impacts are minimized. In determining need for

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additional regulatory actions under No. 1 above, evaluate best available control technologies (BACT), toxic best available control technologies (T-BACT), and best management practices.

3. A report on the initiation and progress of rule development will be provided to the Board's Stationary Source Committee within 120 days [*in early February*].

We expect that any reporting requirements imposed by the AQMD will roughly parallel those currently under development by the California Division of Oil, Gas & Geothermal Resources (DOGGR). Tim Kustic, the state oil and gas supervisor, confirmed at the September 18 symposium that disclosure of chemicals used in fracking and notification to the public of fracking activities are under evaluation by DOGGR as part of its rulemaking process.

The review of existing AQMD regulations (which were summarized at the symposium by Dr. Elaine Chang, AQMD's Deputy Executive Officer) may lead to the development of additional regulations as perceived gaps are identified by staff. One possible area of regulation proposed at the symposium was the early phase-in of EPA's green completion rules, which do not take full effect until 2015.

Tomorrow's meeting will begin at 9:00 a.m. at the AQMD's headquarters, located at 21865 Copley Drive, Diamond Bar, California 91765. HGA attorney Eric Adair will attend the meeting and report on any significant developments.

For more information regarding California fracking issues, please contact:

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