

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1310 Session of 2014

INTRODUCED BY HUTCHINSON, SCARNATI, ROBBINS, ALLOWAY, ERICKSON, VOGEL, VULAKOVICH, WARD AND WHITE, MARCH 28, 2014

SENATOR YAW, ENVIRONMENTAL RESOURCES AND ENERGY, AS AMENDED, JUNE 25, 2014

AN ACT

1 Establishing the Pennsylvania Grade Crude Development Advisory
2 Council; and providing for duties of the Pennsylvania Grade
3 CRUDE Development and Advisory Council and the Department of <--
4 Environmental Protection and for administrative support.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Short title.

8 This act shall be known and may be cited as the Pennsylvania
9 Grade Crude Development Advisory Council Act.

10 Section 2. Definitions.

11 The following words and phrases when used in this act shall
12 have the meanings given to them in the section unless the
13 context clearly indicates otherwise:

14 "Council." The Pennsylvania Grade Crude Development Advisory
15 Council.

16 "Department." The Department of Environmental Protection of
17 the Commonwealth.

18 Section 3. Pennsylvania Grade Crude Development Advisory

1 Council.

2 (a) Establishment.--There is established the Pennsylvania
3 Grade Crude Development Advisory Council.

4 (b) Composition.--The council shall consist of the following
5 members:

6 (1) The Secretary of Community and Economic Development
7 or the secretary's designee.

8 (2) The Secretary of Environmental Protection or the
9 secretary's designee.

10 (3) ~~Two members~~ ONE MEMBER of the Senate appointed by <--
11 the President pro tempore of the Senate.

12 (4) ONE MEMBER OF THE SENATE APPOINTED BY THE MINORITY <--
13 LEADER OF THE SENATE.

14 ~~(4) Two members~~ (5) ONE MEMBER of the House of <--
15 Representatives appointed by the Speaker of the House of
16 Representatives.

17 (6) ONE MEMBER OF THE HOUSE OF REPRESENTATIVES APPOINTED <--
18 BY THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES.

19 ~~(5)~~ (7) The following members appointed by the Governor: <--

20 (i) Two representatives of the Pennsylvania
21 Independent Petroleum Producers.

22 (ii) Two representatives of the Pennsylvania
23 Independent Oil and Gas Association.

24 (iii) Two representatives of the Pennsylvania Grade
25 Crude Oil Coalition.

26 (iv) Two representatives of refineries of
27 Pennsylvania grade crude oil.

28 (v) One representative of a nonprofit corporation,
29 which has the purpose of promoting the history and
30 economic benefits of the conventional oil and gas

1 industry in this Commonwealth.

2 (vi) One representative of academia who is a
3 geologist with an expertise in petroleum geology.

4 (vii) One representative of academia who is a
5 hydrologist.

6 (c) Chairperson.--The council shall elect a chairperson from
7 among its members.

8 (d) Meetings.--The council shall meet upon the call of the
9 chairperson, but not less than semiannually. A simple majority
10 of the members shall constitute a quorum.

11 (e) Terms.--

12 (1) Except as set forth in paragraph (2), the
13 legislative members of the council shall serve two-year terms
14 commencing with the first Tuesday in January of odd-numbered
15 years and may be reappointed upon reelection to office.

16 (2) Of the initial members appointed by the President
17 pro tempore of the Senate ~~and~~, THE MINORITY LEADER OF THE <--
18 SENATE, the Speaker of the House of Representatives AND THE <--
19 MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES, members
20 shall serve until the first Tuesday in January of the first
21 odd-numbered year after the end of the year during which this
22 section takes effect.

23 (3) Of the initial members appointed by the Governor:

24 (i) Four members shall serve initial terms of one
25 year.

26 (ii) Four members shall serve initial terms of two
27 years.

28 (iii) Three members shall serve initial terms of
29 three years.

30 (4) After the initial terms, individuals appointed by

1 the Governor shall serve for a term of three years.

2 (5) Individuals appointed by the Governor may be
3 appointed to successive terms.

4 (f) Vacancies.--Vacancies shall be filled for the remainder
5 of an unexpired term in the same manner as original
6 appointments. A member, upon expiration of the term, shall
7 continue to hold office until a successor is appointed.

8 (g) Quorum.--A majority of the membership of the council
9 shall constitute a quorum for the transaction of business.
10 Action may be taken on a matter before the council by a majority
11 vote of the full membership of the council.

12 (h) Compensation.--Council members may not receive
13 compensation for their services, but shall be reimbursed for all
14 necessary travel and other reasonable expenses incurred in
15 connection with the performance of their duties as members.

16 Section 4. ~~Study and report.~~ DUTIES OF COUNCIL. <--

17 (a) ~~Study~~ DUTIES.--The council shall: <--

18 (1) Examine and make recommendations regarding existing
19 technical regulations promulgated under 58 Pa.C.S. (relating
20 to oil and gas) and policies implemented by the department
21 that impact the conventional oil and gas industry of this
22 Commonwealth.

23 (2) ~~Develop~~ EXPLORE THE DEVELOPMENT OF a regulatory <--
24 scheme that provides for environmental oversight and
25 enforcement specifically applicable to the conventional oil
26 and gas industry.

27 (3) ~~Ensure that its study addresses the need to preserve~~ <--
28 PROMOTE the long-term viability of the conventional oil and <--
29 gas industry.

30 (4) ASSIST THE SECRETARY OF ENVIRONMENTAL PROTECTION <--

1 WITH AND PROVIDE WRITTEN COMMENTS ON NEW DEPARTMENTAL POLICY
2 THAT WILL IMPACT THE CONVENTIONAL OIL AND GAS INDUSTRY OF
3 THIS COMMONWEALTH, INCLUDING ECONOMIC CONSEQUENCES.

4 (5) REVIEW AND COMMENT ON THE FORMULATION AND DRAFTING
5 OF ALL TECHNICAL REGULATIONS PROPOSED UNDER 58 PA.C.S.
6 (RELATING TO OIL AND GAS).

7 (6) PROVIDE INSTITUTIONAL SUPPORT FOR THE CONVENTIONAL
8 OIL AND GAS INDUSTRY OF THIS COMMONWEALTH BY ENSURING
9 EFFECTIVE COOPERATION AND COMMUNICATION AMONG GOVERNMENTAL
10 AGENCIES AND THE ACADEMIC AND RESEARCH COMMUNITY.

11 (7) RECOMMEND APPROPRIATE MEASURES RELATING TO THE
12 PROMOTION AND DEVELOPMENT OF THE CONVENTIONAL OIL AND GAS
13 INDUSTRY OF THIS COMMONWEALTH.

14 (8) DEVELOP A PLAN TO INCREASE PENNSYLVANIA GRADE CRUDE
15 OIL PRODUCTION IN AN ENVIRONMENTALLY RESPONSIBLE WAY TO MORE
16 ADEQUATELY SUPPLY THE REFINERIES WHICH DEPEND ON PENNSYLVANIA
17 GRADE CRUDE OIL.

18 (9) DEVELOP A JOINT WORKING GROUP WITH THE DEPARTMENT TO
19 EXPLORE AND DEVELOP AN ENVIRONMENTALLY RESPONSIBLE AND
20 ECONOMICALLY VIABLE PRODUCTION WATER MANAGEMENT OPTION.

21 (10) PERFORM OTHER DUTIES AS NECESSARY OR APPROPRIATE TO
22 EFFECT THE INTENT AND PURPOSES OF THIS ACT.

23 (b) Report.--The council shall ANNUALLY issue a report of <--
24 its ~~findings~~ ACTIVITIES and recommendations under subsection (a) <--
25 to all of the following:

26 (1) The Governor.

27 (2) The Secretary of Environmental Protection.

28 (3) The President pro tempore of the Senate.

29 (4) The Minority Leader of the Senate.

30 (5) The chairperson and minority chairperson of the

1 Environmental Resources and Energy Committee of the Senate.

2 (6) The Speaker of the House of Representatives.

3 (7) The Minority Leader of the House of Representatives.

4 (8) The chairperson and minority chairperson of the
5 Environmental Resources and Energy Committee of the House of
6 Representatives.

7 ~~(c) Deadline. The council shall submit the report under~~ <--
8 ~~subsection (b) within 180 days of the effective date of this~~
9 ~~act.~~

10 ~~Section 5. Duties of council.~~

11 ~~The council shall have the following duties:~~

12 ~~(1) To assist the Secretary of Environmental Protection~~
13 ~~and provide written comments on new departmental policy that~~
14 ~~will impact the conventional oil and gas industry of this~~
15 ~~Commonwealth, including economic consequences.~~

16 ~~(2) To review and comment on the formulation and~~
17 ~~drafting of all technical regulations promulgated under 58-~~
18 ~~Pa.C.S. (relating to oil and gas).~~

19 ~~(3) To provide institutional support for the~~
20 ~~conventional oil and gas industry of this Commonwealth by~~
21 ~~ensuring effective cooperation and communication among~~
22 ~~governmental agencies and the academic and research~~
23 ~~community.~~

24 ~~(4) To recommend appropriate measures relating to the~~
25 ~~promotion and development of the conventional oil and gas~~
26 ~~industry of this Commonwealth.~~

27 ~~(5) To develop a plan to increase Pennsylvania grade~~
28 ~~crude oil production to more adequately supply the refineries~~
29 ~~which depend on Pennsylvania grade crude oil.~~

30 ~~(6) To develop a joint working group with the department~~

1 ~~to explore and develop economically viable production water~~
2 ~~management options.~~

3 Section ~~6~~ 5. Duties of department. <--

4 The department shall have the following duties:

5 (1) To consult with the council on all policies and
6 technical regulations promulgated under 58 Pa.C.S. (relating
7 to oil and gas).

8 (2) To include any written comments of the council
9 received before the department's submission of a proposed
10 rulemaking package OF TECHNICAL REGULATIONS UNDER 58 PA.C.S. <--
11 (RELATING TO OIL AND GAS) to the Environmental Quality Board,
12 as part of its submission to the Environmental Quality Board.

13 (3) TO PROVIDE TECHNICAL ASSISTANCE REQUIRED BY THE <--
14 COUNCIL TO CARRY OUT ITS DUTIES UNDER THIS ACT.

15 Section ~~7~~ 6. Administrative support. <--

16 The Department of Community and Economic Development shall
17 provide administrative support, office space and any other
18 technical assistance required by the council to carry out its
19 duties under this act.

20 Section ~~8~~ 7. Effective date. <--

21 This act shall take effect immediately.