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Governor Matt Mead
State Capitol
200 West 24th Street
Cheyenne, WY 82002-0010
September 1, 2015

RE: Phase II of Wyoming's Energy Strategy

Dear Governor Mead,

Thank you for the opportunity to provide the following comments in regard to the second phase of Wyoming's Energy Strategy.

The Wyoming Outdoor Council is the state's oldest independent conservation organization. We've worked for more than four decades to protect Wyoming's environment and quality of life for future generations.

We would like to commend your office and the state for the accomplishments made thus far under Wyoming's first energy strategy and to thank you for continuing to pursue progress for Wyoming's energy and environmental future.

Our members believe that there is a middle ground when it comes to Wyoming energy development. This middle ground allows our economy to thrive and provides reliable jobs for our residents. It also fulfills our nation's energy demands with sustainable energy sources and ensures that future generations will be able to enjoy the same clean and safe natural environment that we do today.

Without a doubt, our state's energy industry is important. Energy development comprises the greater portion of Wyoming's state economy, pays much of our taxes, and employs many of our workers. But by the same token, Wyoming's energy industry also has a profound effect not just on Wyoming's natural environment, but the global environment as well.

We applaud the many times we have heard your position that Wyoming can have both a clean environment and a healthy economy. The Wyoming Outdoor Council agrees with that statement. But we also strongly believe that in order for this sentiment to hold true, such a goal must remain a clear and significant part of the state's energy strategy going forward. This means protecting places that are critical to our quality of life, to our tourism economy, to our state's abundant wildlife, and ensuring development occurs in a manner that safeguards public health and welfare. We think the 2013 energy strategy met this standard in some ways,

and we hope that the next phase of the strategy will expand and build upon these goals when setting the next priorities for Wyoming's future.

The following is a list of four priorities that the Wyoming Outdoor Council believes are crucial to keep Wyoming's economy, its energy industry, and its environmental stewardship on a path toward success. Some of these items are already part of the current energy strategy; the Wyoming Outdoor Council would like to reiterate our support for those initiatives and offer more specific ideas for moving them forward.

1. Continued Review of Oil and Gas Conservation Commission Rules

Flaring

The 2013 energy strategy prioritized a review of the state's flaring regulations. The Wyoming Outdoor Council encourages the continuation of that initiative and looks forward to continuing to engage in that process. Long-term flaring of natural gas at oil wells is a problem for Wyoming for several reasons. Namely, flaring is wasteful—both in the sense of revenue and the resource itself—and poses its own negative impacts on air quality and the quality of life of local residents.

In 2014 alone, billions of cubic feet of natural gas were flared from oil wells in Wyoming. Oil and Gas Conservation Commission operator-reported data shows that 2014 saw at least 3,957,182 MCF of natural gas flared solely from oil wells.¹ That flaring was permitted because appropriate infrastructure planning and/or construction was not in place in time to collect it. Flaring wastes an important, non-renewable natural resource and the state loses revenue that it would have earned in the form of severance taxes and royalties on the gas had it been sold instead of flared.

Furthermore, flaring of natural gas creates emissions that are damaging to public health and the atmosphere. Natural gas is certainly a cleaner burning fuel than some, but burning it still creates harmful emissions that create health risks for nearby residents and contribute to a warming climate. We should be doing everything in our power to avoid creating any unnecessary emissions—especially ones that are never put to use, but simply burned off in the pursuit of short-term profits for associated oil extraction.

In the context of a global energy market that is acknowledging carbon constraints, it is of utmost importance that alongside Wyoming's clean coal research, the state also prioritizes the use and development of known cleaner fuels. When extracted and processed properly, natural gas is one of those cleaner fuels. We should seize every opportunity to conserve or put to use natural gas as an important natural resource. For Wyoming, this means facing the task of reducing routine, long-term flaring. Proactive planning measures, careful data reporting, and tax incentives can help ensure that as much associated gas as possible is collected and/or put to use on site at Wyoming oil wells. This approach is both fiscally and environmentally responsible.

¹ There was additional flaring from gas wells in the amount of at least 797,038 MCF.

Improving Data

In addition to the problem of flaring itself, the state has a need for better data. Appropriate and complete gas analysis and flaring data records would help in the management of both the types of gas and the volumes flared or vented to ensure waste is not created. As you already know, waste prevention is a statutory duty of the Wyoming Oil and Gas Conservation Commission.² There are policies at the OGCC that ask operators to submit a gas analysis with every well completion and to report all vented and flared gas both above and below 60 MCF/d, but these are not requirements. This lack of enforceability results in less accountability for operators and less reliable information for the state. Without gas analysis and accurate vented and flared volume details for every well, the state cannot definitively assess whether waste is occurring.

The Wyoming Outdoor Council plans to supply more detailed comments to the OGCC on this matter, but preliminarily, there are two areas that require the state's attention to address the waste and environmental issues caused by long-term flaring at oil wells as well as to address the data problems that compound those issues:

- A. *Revision of Wyoming Oil and Gas Conservation Commission flaring rules at Chapter 3, Section 39 to require:*
 - a. APD-stage infrastructure and beneficial use plans for associated gas. Approval of flaring requests should depend upon progress and implementation of operator infrastructure plans.
 - b. More specific and thorough reporting both on (1) types of gas produced from the well (i.e. gas composition analysis) and (2) gases created and released by the flare stack.
 - c. Differentiation of flaring from venting in the rule with venting specifically prohibited except in emergencies.
 - d. Reporting of all volumes flared or vented from a well (i.e. both above and below any de minimis standard volume), with differentiation between flared and vented volumes.
 - e. 98 percent or better destruction efficiency on flares as well as installation of auto-igniters on flares.
 - B. *Statutory revisions:*
 - a. Removal of the statutory severance tax exemption currently granted to operators on flared natural gas. Exempting flared natural gas from the severance tax only serves as a further incentive to flare.
2. Statewide expansion of successful Upper Green River Basin air quality measures at both new and existing wells to benefit all Wyoming residents

The Wyoming Outdoor Council has always been a strong proponent of the precautionary principle, and especially so when these precautions are ones that are already feasible, implemented, and working elsewhere in the state. We believe Wyoming should prioritize the health of all of its citizens and apply lessons learned in the past to avoid similar problems in the future.

² W.S. 30-5-102

The state has done good work in the Upper Green River Basin (UGRB) to enhance air pollution controls in the area in response to the EPA's determination that the area is in ozone nonattainment. We believe those protections governing both new and existing wells should be expanded statewide. Of particular importance is the expansion of Leak Detection and Repair (LDAR) requirements and green completions requirements for both oil and gas wells.

More frequent LDAR inspections, which are required in the UGRB, would help the state reduce and/or avoid fugitive emissions from a greater number of facilities and thereby avoid another instance of an area in the state risking ozone nonattainment. This is particularly important in light of the anticipated revised eight-hour ozone National Ambient Air Quality Standard (NAAQS) that is due out later this year.

3. Include plans for limiting carbon emissions

As you have wisely said before, regardless of one's stance on climate change, the market's stance on the matter is clear and it says we must find ways to reduce our carbon emissions.³ In addition to the market changes, the introduction of the EPA's Clean Power Plan is yet another reason that Wyoming must prioritize ways of limiting our carbon emissions. While we understand that this administration is pursuing a legal challenge to the Clean Power Plan, we also understand that the state may be planning to submit a proposal for compliance with the plan. We strongly support and encourage the state to pursue a compliance plan and hope that in phase two of the energy strategy the state will prioritize carbon emissions reductions. Finding cleaner energy solutions is not only crucial to our state, national and global environment, but it will be crucial to ensuring that our state's jobs continue to have relevance and our products continue to have demand.

4. Explicitly prioritize public health and quality of life in decision-making

The Wyoming Outdoor Council would like to see an initiative in the second phase of the energy strategy that explicitly prioritizes the consideration of public health and quality of life in decision-making about energy development in Wyoming.

During some Pinedale winters of the last decade, children were not allowed to play outside during school recess because of the risk posed to their health by high levels of ozone. We have also witnessed the documented big game herd decline in response to intensive energy development in the Upper Green River Basin. These unfortunate consequences can and should be avoided as new development proposals are considered in other places in Wyoming. We have, for example, a better understanding today about effective emissions control technologies and policies to avoid development in crucial wildlife habitats. The hard lessons learned in the Upper Green River Basin should inform our decisions going forward.

A woman attending the latest energy strategy public meeting in Rock Springs used the following analogy when expressing her concern for safeguarding air quality. She said, "I

³ Wyoming Public Media. "Governor Mead Advocates Moving Beyond the Climate Debate." 14, August 2015. <http://wyomingpublicmedia.org/post/governor-mead-advocates-moving-beyond-climate-debate#stream/0>

imagine this whole state being concentrated down to just my house. If there were air or water quality risks, or worse—problems in my house, expenses would be important, but still the lesser issue on my mind compared to my health and the health of my family. If my health or quality of life were in jeopardy, I would find a way to prevent or fix those problems, even if it meant getting a loan. I can pay off a debt, but my health is something I can never get back.” This put into perspective a very important point about decision-making: one should not have to risk the degradation of public health and quality of life in order to enjoy a stable economy and low tax rates.

The energy strategy is a great opportunity for us to acknowledge that Wyoming residents do not want to sacrifice the places in Wyoming that make living here special. Whether it’s the places where we teach our children to hunt, camp, and fish or the open space and clear skies we appreciate everyday, we urge you to include in this strategy the importance of development on Wyoming’s terms. Maintaining our way of life—not just how we make our living—is critical to any long-term state energy strategy.

As a state that seeks to find balance between energy development, the environment, and the health and quality of life for its citizens, we should make it an explicit priority to take these values into consideration and to make sure they carry at least the same weight as other factors when making decisions about when, where, and how to develop our energy resources. We ask that this energy strategy does not simply acknowledge quality of life and public health, but makes clear their legitimacy. We ask that the document include standards for best practices as well as an acknowledgement that not all places are appropriate for energy development.

Thank you for considering these comments. The Wyoming Outdoor Council looks forward to the next phase of the Wyoming Energy Strategy and to continuing our participation in the implementation of the strategy’s initiatives going forward.

Best Regards,



Amber Wilson
Environmental Quality Advocate
Wyoming Outdoor Council