Industry, Activists Agree to Toughen Fracking Standards

PITTSBURGH (AP) — Some of the nation's biggest oil and gas companies have made peace with environmentalists, agreeing to a voluntary set of tough new standards for fracking in the Northeast that could lead to a major expansion of drilling.

The program announced Wednesday will work a lot like Underwriters Laboratories, which puts its UL seal of approval on electrical appliances that meet its standards.

In this case, drilling and pipeline companies will be encouraged to submit to an independent review of their operations. If they are found to be abiding by a list of stringent measures to protect the air and water from pollution, they will receive the blessing of the new Pittsburgh-based Center for Sustainable Shale Development, created jointly by environmentalists and the energy industry.

Many of the new standards appear to be stricter than state and federal regulations.

If the project wins wide acceptance, it could ease or avert some of the ferocious battles over fracking that have been waged in statehouses and city halls. And it could hasten the expansion of fracking by making drilling more acceptable to states and communities that feared the environmental consequences.

Shell Oil Vice President Paul Goodfellow said this is the first time the company and environmental groups have reached agreement to create an entire system for reducing the effects of shale drilling.

"This is a bit of a unique coming-together of a variety of different interests," said Bruce Niemeyer, president of Chevron Appalachia.

In agreeing to the self-policing system, members of the industry said they realized they needed to do more to reassure the public about the safety of fracking. On the other side, environmentalists said they came to the conclusion that the hundreds of billions of dollars in oil and gas underground is going to be extracted one way or another and that working with the industry is the quickest path to making the process safer.

"We do recognize that this resource is going to be developed," said Robert Vagt, president of the Heinz Endowments, a charitable foundation that has bankrolled anti-fracking efforts. "We think that it can be done in a way that does not do violence to the environment."

In addition to Shell and Chevron, the participants include the Environmental Defense Fund, the Clean Air Task Force, EQT Corp., Consol Energy and the

Pennsylvania Environmental Council, and the organizers hope to recruit others.

The new standards include limits on emissions of methane, a potent greenhouse gas, and the flaring, or burning off, of unwanted gas; reductions in engine emissions; groundwater monitoring and protection; improved well designs; stricter wastewater disposal; the use of less toxic fracking fluids; and seismic monitoring before drilling begins.

The project will cover Pennsylvania, West Virginia and Ohio — where a frenzy of drilling is under way in the huge, gas-rich Marcellus and Utica Shale formations — as well as New York and other states in the East that have put a hold on new drilling.

The cooperation between the two longtime adversaries may be part of a trend.

Earlier this month a coalition of industry and environmental groups in Illinois announced that they worked together on drilling legislation now pending there. But the Pittsburgh project, which has been in the works for nearly two years, would be voluntary.

"We believe it does send a signal to the federal government and other states," said Armand Cohen, director of the Boston-based Clean Air Task Force. "There's no reason why anyone should be operating at standards less than these."

Shell said it hopes to be one of the first companies to volunteer to have its operations in Appalachia go through the independent review. Chevron said it expects to apply for certification, too, when the process is ready to start later this year.

Mark Brownstein, an associate vice president with the Environmental Defense Fund, said many oil and gas companies claim to be leaders in protecting the environment, and "this can be one opportunity for them to demonstrate that leadership" by submitting to an audit.

The project will be overseen by a 12-member board consisting of four seats for environmentalists, four for industry and four for independent figures, including former Treasury Secretary Paul O'Neill and Christine Todd Whitman, the former New Jersey governor and Environmental Protection Agency chief.

The center's proposed 2013 budget is $800,000, with the two sides expected to contribute equal amounts, said Andrew Place, the project's interim leader and director of energy and environmental policy at EQT, an Appalachian energy company.

Mark Frankel, an expert on ethics and law at the American Association for the Advancement of Science in Washington, said the idea sounds promising, but it remains to be seen if the new standards are a significant improvement over existing laws. He said there are also ethical and policy questions.

"What does it mean to have an independent board? Who's on it? How do they get on it?" he asked.

George Jugovic, president of the environmental group PennFuture, one of the participants, said the industry's involvement makes this different from past debates over fracking.

"Buy-in from them is huge. That provides leadership from within," Jugovic said. "It's very different from someone from the outside saying, 'You can do better.'"

But some critics of fracking weren't swayed by the new plan.

"Fracking is an inherently dangerous industrial process that takes us away from sustainable energy solutions. Its costs to humans and our environment just aren't worth it," said Kathy Nolan of Catskill Mountainkeeper, which is fighting fracking in New York state.

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