Wyoming Energy Policy Preserves Landscapes

MEAD GRUVER, Associated Press

CHEYENNE, Wyo. (AP) — Gov. Matt Mead on Monday unveiled a state energy policy two years in the making that calls for maintaining Wyoming's position as the top energy-exporting state while preserving its wild, scenic and pristine landscapes.

Mead's report outlines four priorities: Economic competitiveness, efficient regulation, natural resource conservation and developing new technologies.

Lack of a national energy policy, Mead said, inspired him to develop the state policy. At least a dozen agencies play a role in federal energy development oversight, the 63-page report pointed out.

"Before we started throwing stones about that, I started thinking we in Wyoming needed to have an energy strategy," Mead said. "We hope they can take a cue from us."

Wyoming's coal, oil, natural gas, wind and uranium industries make it the second-leading state, after Texas, for total energy production. As the least-populated state, Wyoming exports more energy than any other, including Texas.

Specifics of the state policy include requiring baseline groundwater testing before oil or gas drilling occurs, something long sought by environmental groups. Such testing would seek to avoid inconclusive finger-pointing about groundwater contamination that occurs near petroleum development, as has been the story for more than five years with pollution in the Pavillion area.

Mead's policy also calls for Wyoming to promote development of liquid natural gas for export as well as compressed natural gas to power vehicles.

Wyoming will encourage creating a statewide network of pipelines to carry carbon dioxide to boost pressure — and production — in aging oil fields. Developing "hybrid" industrial sites is another goal.

"This might mean combining coal, natural gas and wind in a large energy campus to produce liquid fuels, chemicals and power," the report said. "In the long-term, small, modular nuclear plants could be part of this value-added conversion process."

Wyoming will continue to assert influence over managing potentially threatened or endangered species, such as sage grouse, that could get in the way of energy development if they ever came under federal protection.

The report has nearly four dozen priorities in all. Many, such as new rules for flaring — burning off gas from oil wells — have been in the works already.

Mead got to work on the policy soon after he took office in 2011. He solicited input from a variety of interests, including the energy industry and conservation groups.

The policy says little about hydraulic fracturing — the process of blasting pressurized water, fine sand and chemicals down oil and gas wells to split open rock and improve the flow of hydrocarbons — though it credits Wyoming as the first state to require companies to disclose to state regulators the ingredients in their fracking chemicals.

Environmentalists who sought the groundwater testing requirement want the public, not just the state Oil and Gas Conservation Commission, to be able to see the ingredient lists. The commission has refused their requests, saying the chemicals are trade secrets shielded from public release.

That prompted the groups to sue last year. A state district judge ruled against them in March. The groups, which include the Powder River Basin Resource Council and Wyoming Outdoor Council, have appealed to the Wyoming Supreme Court.

"Public disclosure needs to be made. Public involvement is crucial and that creates public trust," Richard Garrett, energy and legislative advocate for the Wyoming Outdoor Council, said Monday.

Garrett praised the policy's baseline testing requirement as a key change.

A 2011 U.S. Environmental Protection Agency report implicated fracking in contributing to the Pavillion pollution. Wyoming and the EPA continue to be at odds over whether fracking indeed played a role.

The EPA has extended a public comment period on the report twice, and recently backed away from promising that independent scientists would peer-review the report.

"Had we had baseline water testing at some point before the activity started there, it would have prevented a lot of the questions later on," Mead said.

Mead said he would send copies of the energy policy to the Interior Department, U.S. Department of Energy and the U.S. Fish and Wildlife Service. Federal officials in Wyoming, at least, have taken an interest in it, he said.

"It does look like a great approach by the state," said Beverly Gorny, spokeswoman for the BLM's Wyoming headquarters office in Cheyenne. "We do work very closely with the state of Wyoming."

Bruce Hinchey, president of the Petroleum Association of Wyoming, suggested the Interior Department, which has been developing its own rules for fracking on federal land, could avoid duplication by looking to Wyoming's policy.

"I think that would be a win-win, not only for the state and the feds but also the

industry," Hinchey said.

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