Ethical Environmental Policy Consortium 022419-OR HB 2623, 2019 PREPARED FOR: Chair Representative Ken Helm, Vice-Chair Representative E. Werner Reschke, Vice-Chair Representative Sheri Schouten, Representative Lynn Findley, Representative Andrea Salinas, Representative Janeen Sollman, Representative Marty Wilde, Representative Anna Williams, Representative Jack Zika

PREPARED BY: Alexander Krokus Executive Director

HOUSE COMMITTEE ON ENERGY & ENVIRONMENT



OR HB 2623, 2019: Potential Complications Associated with §2(2)(b)

24 February (2019)

Corporate entities which engage in unconventional methods of oil and gas exploration (UOG) have contaminated aquifers, lakes, and streams (Soeder and Kappel 2009; Kargbo et al. 2010; Gregory et al. 2011; Vidic et al. 2013; Brittingham et al. 2014; Mauter et al. 2014; Gallegos et al. 2015), diminished air quality (Chalmers et al. 2012; Schneising et al. 2014; Omara et al. 2016), and have augmented the frequency and intensity of induced seismic events (Weingarten et al. 2015; USGS 2015; 2016; 2016b).

Currie et al. has clearly demonstrated that infants birthed within 1km of an active hydraulically fractured (HF) well site will experience a 25% increase in the probability of low birth weight, and detrimental consequences arise in utero when infant births occur within 3km (Currie et al. 2017). Increases in childhood hematologic cancer incidences have also been observed in close proximity to HF activities (Elliott et al. 2017; McKenzie et al. 2017).

The Ethical Environmental Policy Consortium (EEPC) is a 501(c)(3) public benefit corporation that collaborates with federal, state, and local policy makers, community organizations, corporate and business entities, and the general public, to assist with implementation of ethical environmental policy. Our mission is to reduce adverse ecological complications initiated by anthropogenic sources of pollution.

The EEPC was incorporated in June 2018 in Portland, OR and has recently received favorable support for our proposed amendments from key federal congressional offices in the U.S. House of Representatives (PA-17, IL-05, FL-09) associated with H.R. 436, 116th Congress, 2019-2020 (Fracking Disclosure and Safety Act), formerly H.R. 6768, 115th Congress, 2018. The EEPC is currently working with the initial sponsor of this legislation Congressman Darren Soto (FL-09) and his Legislative Director, in an effort to mitigate fugitive CH4 and VOC emissions from active HF sites. Our recommendations, if adopted, would provide immediate health benefits to the 17.6 million Americans residing within 1.6km (1 mile) of an active HF well site (Konkel 2017).

We applaud the continuous effort of Chair Representative Helm, who proposed this legislative concept during multiple sessions. <u>The EEPC immensely supports the passage of OR H.B. 2623, 2019 with one exception.</u>

§2(2)(b) of OR H.B. 2623, 2019 provides an exemption for "*geothermal wells or activities* related to exploration for geothermal energy."

The EEPC immensely endorses exploiting geothermal resources as a sustainable way to encourage our statewide transition to clean energy, yet believes that a multitude of unintended disadvantageous consequences may occur if drilling depth and cumulative water injection rates are not regulated responsibly.

A: Proliferation of Anthropogenically Induced Seismicity:

The increase in anthropogenically induced seismicity over the past decade has not only been triggered by UOG exploration, but also by geothermal production conducted in both igneous and sedimentary rocks (Tester et al. 2006; Majer et al. 2007).

The Energy Policy Act (EPAct) of 2005, 42 U.S.C. § 15801, P.L. 109-58 repealed the Public Utility Holding Company Act (PUHCA), 15 U.S.C. § § 79-79z(6), which was established in 1935 to aid individual states with their efforts to effectively regulate the energy sector following the Great Depression. Following the repeal of PUHCA, the Federal Regulatory Energy Commission (FERC) permitted immense outside capital investment into the US OG market, allowing for emerging new UOG extraction methods to flourish, such as horizontal drilling techniques. Natural resources situated in geologic formations that possess low permeability, which were once considered previously inaccessible and unprofitable, have now been exploited by utilizing horizontal drilling combined with HF (Wiseman 2008).

In 2011, after the vast rise of UOG exploration, widespread unanticipated seismic activity occurred in Prague, OK (Mw=5.6), Trinidad, CO (Mw=5.3), Timpson, TX (Mw=4.8), and Guy, AR (Mw=4.7) (USGS 2015). During the time period from 1973–2008, an average of 21 earthquakes of Mw = >3 were experienced in central and eastern US annually. In 2015 that number rose to over 1,000 (USGS 2016).

HF water injection can have far-reaching seismic effects (Yek et al. 2016). Recorded pressure increases from cumulative wastewater injection from as far as 90km away, has been recently confirmed by the Kanas Geological Survey (KGS) to induce seismicity, as a direct result of far-field pressure diffusion (Peterie et al. 2018).

A recent analysis of seismic data obtained from the state of OK, compared to data from additional major US UOG regions (Bakken, Eagle Ford, Permian) has revealed that HF injection rates, including cumulative produced water volume, along with the proximity to the crystalline basement (which consists of rock formations beneath a platform of sedimentary rocks that are metamorphic or igneous) are the fundamental drivers initiating induced seismicity in OK (Scanlon et al. 2018). This study discovered that transferring produced wastewater injection operations into nonproducing geologic zones possessing low-permeability, will substantially increase the number of anthropogencially induced earthquakes.

During the process of enhanced geothermal systems (EGS), fluids are injected under high pressure into rock formations to create reservoirs, similar to the methods employed by the OG industry. Due to the emergence of technological advances in HF techniques applied in EGS, the regularity of anthropogenically induced seismicity has increased. The fundamental method exercised for performing EGS and deep drilling geothermal exploration is HF.

On November 15, 2017 a Mw=5.5 induced earthquake occurred in close proximity to an EGS site in Pohang, South Korea, injuring 70 people, and also caused substantial structural damage to the city (Grigoli et al. 2018). This seismic event was followed by a Mw=4.3 aftershock that transpired in a physiographic province considered to be seismically stable. This induced earthquake was subsequent an additional Mw=5.5 earthquake occurring just one year earlier in the same region. These two seismic events are considered the largest magnitude earthquakes ever recorded in South Korean history, since seismic monitoring was adopted in 1903 (Kim et al. 2017). By utilizing seismological and geodetic analyses, geophysicists were able to confirm that the activated fault triggered was situated below the EGS site (Figure 1), and determined that the depth of the Pohang earthquake and aftershock was shallow, approximately 4.0km-4.5km below the Earth's surface, distinguishing these events as anthropogenically induced rather than naturally occurring.



Figure 1: Pohang Earthquake Sequence 2017 (Mw=5.5 + Mw=4.3)

Deep geothermal systems have the potential to generate the same induced seismic conundrum fabricated by the OG industry, since these projects also inject fluids into the subsurface to increase permeability (Giardini 2009; Ellsworth 2013; Diehl et al. 2017; Grigoli et al 2017). USGS geologists observing the Geysers Geothermal Field located in northern CA (Figure 2 & 3), have confirmed that the continuous EGS development in this region has increased the anthropogenically induced seismic events, due to an upsurge of steam production and fluid injection (USGS 2018).

⁽Grigoli et al. 2018 with permission)





(Preiss et al. 1996; NRC 2013)

B: Seismicity (Mw) is Dependent Upon Cumulative Water Injection Rates:



Figure 3: The Geysers (Geothermal), CA 1965-2010



Figure 4 & 5: Coso Field (Geothermal), China Lake, CA v. Arbuckle Formation (Oil & Gas), OK



(Figure 4: NRC 2013)



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- During 2006 in Basel, Switzerland a \$60 million EGS deep drilling project was eliminated due to public outrage and extensive damage sustained from an induced earthquake that produced structural damage to the nearby community costing millions to repair (Meier et al. 2015).
- In St. Gallen, Switzerland 340 induced seismic events were triggered by geothermal reservoir stimulation during a deep geothermal drilling project conducted in July 2013. A Mw=3.5 earthquake was felt from as far away as 10km–15km from the epicenter (Diehl et al. 2017).
- Earthquakes can be initiated by thermal stressors and significant pressure decreases resulting from expansions in geothermal energy production, as demonstrated in the April 1, 2000 Mw=4.5 induced event in Tuscany, Italy (Castello et al. 2006; Rovida et al. 2011). Vaporization combined with the reinjection of fluids can initiate thermal stressing of rocks (Dahm et al. 2015). This earthquake arose from a shallow depth in close proximity to the geothermal plant, and caused structural damage to more than 50 buildings (Braun et al. 2016).
- Intense geothermal wastewater injection performed at the Husmuli injection site, located in the Hellisheidi Geothermal Field in Iceland, initiated two Mw=4 earthquakes (Figure 6) on October 15, 2011 (Flovenz et al. 2015; Gunnarsson et al. 2015; Juncu et al. 2018). The pressure alterations due to fluid injection resulted in surface deformation and increased stress on local active faults.



Figure 6: Husmuli Injection Site (Hellisheidi Geothermal Field), Iceland

Super Hot Rock (SHR) EGS research is currently being conducted at the Newberry Volcano in OR (Figure 7), one of the largest geothermal heat reservoirs in the nation (Cladouhos et al. 2011). SHR possessing a temperature $> 400^{\circ}$ C will produce a super-critical fluid (SCF), which has the potential to generate 5 x more energy than water at 200°C. The Newberry Deep Drilling Project (NDDP) will be operated in an idle geothermal exploration well (NWG 46-16) that is 3.5km deep, and will be extended an additional 1km-1.5km to access temperatures reaching 500 °C.

The EEPC supports the implementation of the experimental NDDP to obtain SCF for energy generation, but believes that this specific research should be confined to only the NWG 46-16 well site until proven safe (Figure 8).



Figure 7 & 8: Location of Experimental Geothermal Well NWG-46-16 & Quaternary Active Faults in OR



(Figure 7: Bonneville et al. 2018)

(Figure 8: Langridge 2018)

RECOMMENDATIONS FOR REGULATING GEOTHERMAL EXPLORATION:

- Establish net fluid budgets for HF and wastewater injection for all geothermal production and exploration activities.
- Restrict all HF well depths and water injection well levels from encroaching the crystalline basement.
- Eliminate wastewater injection into nonproducing geologic zones, primarily regions possessing low-permeability.
- Create a state inventory of geologic boundaries that address every region where geothermal exploration is plausible, and designate specific tectonic subprovinces in each physiographic province, to properly distinguish where it is safe to conduct EGS and deep drilling geothermal projects with HF.

As stated earlier in our testimony, the EEPC immensely supports the passage of OR H.B. 2623, 2019, but also recommends devising strategies to safeguard communities residing in close proximity to EGS and deep drilling geothermal projects. Since both the OG and geothermal industries utilize the exact same contemporary method for exploiting natural resources, we must regulate these experimental methods cautiously, to restrict the potential for triggering large anthropogenically induced seismic events in additional tectonically active physiographic provinces located in OR.

Once the exploratory techniques employed at NWG 46-16 are proven to be safe for at least a decade, perhaps similar strategies can be adopted statewide to harness clean geothermal energy.

Thank you for your time.

Sincerely,

Alexander Krokus Executive Director: EEPC



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