

Testimony of the Colorado Petroleum Council
Before the
House Energy & Environment Committee hearing on
Becker and Caraveo--Protect Public Welfare Oil & Gas Operations
Delivered by Associate Director of the Colorado Petroleum Council
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Monday, March 18, 2019

Good Afternoon, my name is Chris McGowne and I'm the Associate Director of the Colorado Petroleum Council. CPC is a division of the American Petroleum Institute and represents all facets of the oil and natural gas industry in Colorado. I am here, on behalf of CPC to testify in opposition of Senate Bill 181.

Senate Bill 181 is a misguided overreach, specifically in the area of local control. The notion that there has been no meaningful reform to oil and gas regulations in over 60 years is a fallacy. SB 181 contains the most overreaching local control provisions of any proposal we have ever reviewed. It turns constitutional home rule principles on their head, eliminates state expertise in siting and regulation, and all but guarantees that industry will be forbidden from operating in certain jurisdictions.

By way of illustration, under the current bill a local government could simply run out the clock and prevent an operator from ever receiving a permit from the COGCC. There are minimal sideboards on how far a local government can go. For example, they could conclude that unworkable half-mile or mile setbacks are needed to minimize adverse impacts, with no factual or scientific information that supports this argument. They could zone oil and gas out of any location from which oil and gas resources could be accessed. Local governments could insist on financial assurance that far exceeds what exists at the commission, to the extent that no underwriter would undertake such a policy. These are merely a few examples in which local governments could make it impossible to access and develop oil and gas resources. These examples are well-

informed and are formulated based off of proposals we have heard by the very local governments who wish to hinder our industry, and this bill will allow them to do just that. The patchwork of regulations that will exist throughout the state of Colorado will depress future energy investment in Colorado and send a strong signal to all that Colorado is closed for business. Local governments could be pitted against each other when their regulations don't coincide.

There are far too many unintended consequences in this bill and we would urge lawmakers to slow down and provide for a process with ample opportunity for input and review by all stakeholders, including industry.