



May 13, 2021

The Honorable Elder Vogel, Chair  
Senate Agriculture & Rural Affairs Committee  
362 Main Capitol Building  
Harrisburg, PA 17120

The Honorable Gene Yaw, Chair  
Senate Environmental Resources  
& Energy Committee  
362 Main Capitol Building  
Harrisburg, PA 17120

Dear Chairman Vogel and Chairman Yaw,

I am writing in response to the joint hearing of the Senate Agriculture and Rural Affairs and Environmental Resources and Energy committees held yesterday to discuss Senate Bill 284, related to bonding of wind and solar installations.

In viewing the meeting, it seemed curious that several commentators decided to focus much of their attention on unconventional natural gas development, rather than the subject of the hearing. Unfortunately, in doing so, several of the comments offered to you and your committee colleagues were simply inaccurate and deserve clarification.

First, comments were shared that if bonding were to be required for wind and solar installations, it should also be required for fossil fuel industries. As you know, fossil fuel industries *are* required to post and maintain bonds. Bonding for coal extraction has been required since 1977 and is heavily regulated by both the federal and state government. Oil and natural gas operations have been required to be bonded since 1984. Bond amounts for unconventional shale gas operations were increased and updated as part of Act 13 of 2012.

Later in the hearing, testimony from the Pennsylvania Department of Environmental Protection (PA DEP) – which oversees and administers the Commonwealth’s oil and gas laws, including the bonding requirements – stated that bonding “does not include restoration or reclamation of the site.” The testimony also stated that the bonding amounts are far below the cost of plugging a well.

These statements are misleading and lack the proper context – context which PA DEP was uniquely in a position to offer the committee members. In fact, bonds do cover both the well itself and the well site, as stated in Act 13 of 2012:

*“...upon filing an application for a well permit...the owner or operator of the well shall file with the department a bond covering the well and well site...”*

*“...the term ‘well site’ means areas occupied by all equipment or facilities necessary for or incidental to drilling, production or plugging a well”*

~ 58 Pa.C.S. Section 3225 (a) and (d)

Context is also important. Under Act 13, liability under the bond remains in place for one year after a well is plugged. During this time frame, the well site is required to be restored to approximate original contour, protected against stormwater erosion, revegetated, and the site restoration inspected and approved by PA DEP. All equipment or material that may have remained on site is also removed.

Furthermore, during the hearing it was suggested that an operator's obligations to plug and restore a site is limited to the bond amount. This is simply not true. Beyond the robust requirements discussed above – which are laid out in detail in Act 13, the accompanying regulations, and Department's guidance documents – an operator is legally required to incur whatever costs are necessary to meet the plugging and restoration requirements of the law. The law empowers DEP to pursue whatever course it deems necessary to hold operators accountable for their obligations.

I hope this helps clarify some of the misinformation from the joint hearing and better informs key policy decisions. Thank you for your review and consideration of this information.

Sincerely,



Jim Welty  
Vice President, Government Affairs

cc: Senate Agriculture & Rural Affairs Committee  
Senate Environmental Resources & Energy Committee