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Senate Bill 165 Sponsor Testimony Senate Energy and Natural Resources Committee Wednesday, September 20, 2017

Chairman Balderson, Vice Chair Jordan, Ranking Member O'Brien, and distinguished members of the Energy and Natural Resources Committee, thank you for the opportunity to provide sponsor testimony on Senate Bill 165. This bill would establish conditions and requirements for the sale of brine from certain oil or gas operations as a commodity and to exempt such a commodity from requirements otherwise applicable to brine.

In 2003-04 a small business owner in Northeast Ohio approached the Ohio Department of Natural Resources to introduce a treatment and recycling technology which processed raw brine from shallow wells to produce a clean and natural salt water product that could be used for deicing and snow control in place of dirty raw brine. This business owner worked closely with ODNR to obtain approval of the treatment process and the use of the brine product and began operating a recycling facility in Cleveland in 2004. The treatment process fully removes any oil in the raw brine (and the oil is then sold) and then further filters the product to remove any remaining contaminants that may pose harm to the public or environment.

The product, naturally concentrated salt water, can then be sold without further regulation similar to rock salt or products with the same chemical composition but which are manufactured using fresh water and chemical additives. It is certified by third parties as one of the most effective and safe deicing products available and has garnered popularity with churches, retail establishments, colleges, local governments, as well as 10 of 12 Ohio Department of Transportation districts.

Due to a statutory change by the 130th General Assembly, which focused on horizontal drilling and fracking, ODNR began adding requirements for all recycling operations in Ohio without regard to the type of well. These regulations are burdensome to individuals/customers that may transport and apply the product, and as a result, have negatively impacted our small business owner.

The purpose of this legislation is to promote the recycling of brine from conventional "vertical" wells and specifically excludes materials produced from horizontal shale wells. Across the state, there are thousands of "vertical" wells that produce millions of gallons of formation salt water. Our goal is to ensure ODNR maintains the appropriate authority to oversee the recycling process and encourage recycling of raw brine without further regulation of the finished product or those that use it, as ODNR has done for over a decade.

Therefore, this legislation amends the statute (RC 1509.22) to confirm that ODNR retains the ability to regulate the recycling process, but prevents further government regulation once the process is complete and the product meets specified and accepted standards that confirm that the product is effective and does not pose a threat to the public health or environment.

Thank you, Chairman Balderson and members of the committee, for allowing me to speak to this legislation. I would be happy to answer any questions at this time.