

**Recommendations**  
to the  
**Government of NL - 2015 Budget**  
**Consultation Committee**



by the  
**Port au Port/Bay St George  
Fracking Awareness Group**  
**Date: February 27, 2015**

Presented by:  
**Graham Oliver and Wayne Hounsell**  
**Communication Committee**

## #1 Eliminate the External Panel Review on Fracking (rationale below)

Since the External Panel Review on Hydraulic Fracturing was announced by Minister Dalley in August of 2014, the global landscape of this controversial method of oil extraction has changed dramatically.

- a. Moratoria have been imposed in New Brunswick, Nova Scotia and Quebec and a total ban of hydraulic fracturing has been passed in New York State by Governor Cuomo. .
- b. Wales and Scotland have both brought in moratoria on hydraulic fracturing
- c. New medical reports on the deleterious effects of hydraulic fracturing are being published daily (refer to compendium health professionals link)
- d. The dramatic drop in global oil prices has resulted in a severe down-scaling in exploration and production in North American shale oil plays in North America
- e. On February 10 at the Harris Centre Panel Discussion in Corner Brook; Ian Kennedy, a director with Black Spruce Exploration, publicly stated that Black Spruce Exploration will not be doing hydraulic fracturing because the geology of western NL is too complex

Because of the points listed above, it is the opinion of the Port au Port/Bay St. George Fracking Awareness Group that the External Panel Review on hydraulic fracturing not proceed; and that a ban on hydraulic fracturing be imposed until the controversial process of oil extraction has been scientifically proven safe. To my knowledge, no applications to perform hydraulic fracturing have been submitted to the NL Department of Natural Resources/ C-NLOPB. **To proceed with an External Panel Review on Hydraulic Fracking would not be a prudent expenditure of public funds.**

It is worthy to note that the Wheeler Panel on Hydraulic Fracturing in NS cost \$140,000.to complete, while the very comprehensive Quebec Study cost well over \$1,000,000. There will be a significant costs for an External Panel Review in NL. Given the fact that three of the panel members (Locke, Dusseault, Gagnon) do not have the full confidence of the public, and considering that there is no representation on the panel from the west coast, the Aboriginal community and Human Health, **femaly** the recommendations of the jaundiced External Panel Review will certainly be questioned by the public. There is sufficient per-reviewed research published to conclude that a ban on hydraulic fracturing is warranted without the province wasting money on an External Panel Review.

## **#2 Eliminate the Petroleum Exploration Enhancement Program (PEEP).**

*"The Provincial Energy Plan, released in September 2007, introduced a policy action to encourage and promote exploration activity in Western Newfoundland known as the Petroleum Exploration Enhancement Program (PEEP). — The Department of Natural Resources announced a \$5 million, two-year program to encourage onshore exploration through the application and acquisition of petroleum geoscience data. . Funding extended to 2011- 2012. — The program is administered jointly by the Department of Natural Resources (DNR) and the Provincial energy corporation, Nalcor Energy."*

*(The above text was taken from David Middleton's (NLDNR) slide presentation .... link below:  
[http://www.wnloilandgas.com/media/uploads/WNLOG\\_Symposium\\_PEEP\\_Middleton.pdf](http://www.wnloilandgas.com/media/uploads/WNLOG_Symposium_PEEP_Middleton.pdf)*

Since 2007, the NL Department of Natural Resources has been investing money in the Petroleum Exploration Enhancement Program. This expenditure is a waste of Government funds. Government should stay out of the exploration business. Oil exploration falls into the domain of junior oil companies, not provincial governments. Nalcor invested more than \$20,000,000. drilling exploration wells in Parsons Pond in 2010. Fortunately, Nalcor cut their losses by abandoning a plan to drill a third well that would have cost \$7,000,000.

Government should have more oversight on Nalcor and the Department of Natural Resources and rein in expenditures on risky ventures. The money saved could be better used in promoting alternative sources of green energy.

## **#3 Encourage Alternative forms of Energy Production and Reverse Metering**

The potential for alternative green energy sources in this province is huge and Government should be encouraging development in this area. Reverse metering, which is permitted in other provinces, is essential if we are to develop new energy sources in NL. While the government has many incentives for the fossil fuel industry, they have shut the door to alternatives. Brent Chaffey, the owner of New World Dairy, St. David's produces energy from methane, but he cannot sell it back to the grid. The following excerpt was taken from an article in the Western Star on Oct. 11, 2013. Mr. Chaffey's dilemma clearly illustrates the lack of Government support when it comes to the production of alternative green energy sources in this province:

### **Article in Western Star Oct. 13, 2013 Profiling Dairy Farmer on West Coast**

*"The economic spinoffs of such a project can really be significant, if New World Dairy can reach an agreement to tap its power into the grid. That is not an option in Newfoundland and Labrador currently, New World Dairy President Brent Chaffey said that system can put out about four million kilowatt hours of electricity annually, according to the president, enough to supply about 400 households. Chaffey went on to say: 'We currently use about a million (kilowatt hours) with all of our operations, and we consume about 25 per cent of what we produce, and the other 75 per cent will just go up in smoke until we can get a connection to the grid.' " Link to Western Star Article: <http://www.thewesternstar.com/Business/2013-10-11/article-3423978/St.-Davids-farm-turning-manure-into-electricity,-other-products/>*