



Committee Report

Report PDR-PCD-27-15

To: Chair Wright and Members of the Planning and Community Development Committee
From: Randy Scherzer, Director of Planning
Meeting Date: June 16, 2015
Subject: **Fracking Operations**
Status: Recommendation adopted by Committee as amended, See Resolution PCD90-15; Endorsed by County Council July 7, 2015 per Resolution CC93-15;

Recommendation(s)

WHEREAS the Planning and Community Development Committee directed staff to prepare a report on fracking and the potential impacts from fracking following a deputation that was made before Committee;

AND WHEREAS the Province has indicated that it needs to strengthen regulations around fracking before considering applications within the Province;

AND WHEREAS there are known shale resources within the County of Grey which could attract potential fracking operations in the future;

NOW THEREFORE BE IT RESOLVED that Report PDR-PCD-27-15 be received;

AND THAT...

Option 1 – the County receives the information and takes no action at this time.

Option 2 – the County recommends that the Province consider banning fracking operations within the Province of Ontario given the potential impacts caused by these operations.

Option 3- the County recommends that the Province consider researching the potential impacts caused by fracking operations and to either consider banning these operations or strengthening the regulations to ensure there are no impacts caused by these operations and ensuring that the process includes consultation

with the local municipalities, aboriginal communities, stakeholders, and the public prior to approving such operations.

Background

At the April 21, 2015 meeting, Mr. David Walton appeared as a deputation before the Planning and Community Development Committee and provided information on the potential impacts from fracking operations. Mr. Walton recommended the County pass a resolution signifying the County's support for banning the practice and that the resolution be sent to the Province. Following the deputation, Committee passed a motion directing staff to prepare a report on fracking and its impacts for an upcoming Planning and Community Development Committee meeting. In addition to the presentation and material provided by Mr. Walton, Mr. Walton also provided the County with a petition signed by approximately 250 people which requests that the County support a ban on fracking operations.

Fracking is a procedure whereby fractures in rocks and rock formations are created by injecting fluid at extremely high pressure which forces cracks in the rock to open further which allows more oil and gas to flow out of the formation and into a drilled well where it can be extracted. There are pockets of shale resources in Ontario, including potential shale resources in Grey County near the shoreline of Georgian Bay where fracking operators may be interested in extracting petroleum resources in the future.

To date there are no shale gas or shale oil resources being extracted anywhere in Ontario and according to the Province there are currently no proposals before the Ministry of Natural Resources and Forestry (MNR) requesting approval to explore shale gas or oil, or for the use of high-volume hydraulic fracturing (fracking). The Province has indicated that there has been some exploratory drilling in Grey County over the years but noted that there are few producing wells that have been drilled this far north and they indicated that Grey County is close to the margins of the basins containing the oil and gas resources found in Ontario. The Province has indicated that most oil and gas activity has occurred in the southwestern area of the province, where the sedimentary basins (Michigan and Appalachian basins) are located.

The MNR is the regulator in the Province of Ontario for oil and gas explorations and production. These operations are regulated under the Oil, Gas and Salt Resources Act (OGSRA). If an operator wanted to drill a well or use fracking to extract shale gas or shale oil, a license would be required from the MNR under the OGSRA. If a fracking operation requires water greater than 50,000 litres per day, a permit to take water would be required from the Ministry of Environment and Climate Change. The Province has indicated that the petroleum development (including fracking) is considered a short-term

activity and not a land use and therefore municipal planning approvals would not be required to approve a fracking operation in Ontario.

Based on some research as well as the information provided by Mr. Walton (see attachments below), the following are potential impacts caused by fracking operations:

- Contamination of groundwater around fracking wells
- Methane pollution and other air pollution impacts
- Impacts from the chemicals that are injected into the rock and rock formations
- Potential for blowouts due to gas explosions from the oil and gas being extracted
- Potential impacts from waste dumping and waste tailings resulting from the fracking process, including potential impacts from tailing pond leakage
- Potential impacts to the water supply due to the large volumes of water used
- Potential for fracking-induced earthquakes

MNR has indicated that they are monitoring fracking research and development in other jurisdictions. MNR has also indicated that they would not approve any application to use high-volume hydraulic fracturing (fracking), unless the regulations are strengthened to protect the public and the environment. They noted that any enhancements to provincial regulations to properly regulate shale development would be brought forward for appropriate consultation with municipal organizations, stakeholders, aboriginal communities and the public.

Based on the potential impacts caused by fracking operations and based on the fact that there are resources within Grey County which could lead to proposed fracking operations in the future, the following options can be considered:

1. Take no action at this time.
2. Recommend that the Province consider banning fracking operations within the Province of Ontario
3. Recommend that the Province consider researching the potential impacts caused by fracking operations and to either consider banning these operations based on the research findings or strengthening the regulations to ensure there are no impacts caused by these operations and ensuring that the process includes consultation with the local municipalities and the public prior to approving such operations.

Financial / Staffing / Legal / Information Technology Considerations

None at this time.

Link to Strategic Goals / Priorities

Action Item 3.5 of the Corporate Strategic Plan indicates that the County should protect and conserve natural resources in the County.

Attachments

[Fracking Information from David Walton](#)

[Shale Potential in Ontario Fracking Presentation David Walton](#)

Respectfully submitted by,

Randy Scherzer
Director of Planning