

## Ohio House Commerce and Labor Committee The Honorable Mark Johnson, Chairman

## **Proponent Testimony**

**House Bill 227** 

Christina H. Polesovsky | API Ohio

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Chairman Johnson, Vice Chairman Lear, Ranking Member McNally, and members of the Ohio House Natural Resources Committee, thank you for the opportunity to provide proponent testimony on HB 227.

API Ohio is a state affiliate office of the American Petroleum Institute. API is a national trade association that represents all segments of America's natural gas and oil industry, which supports more than 11 million U.S. jobs and is backed by a growing grassroots movement of millions of Americans. Our approximately 600 members produce, process, and distribute most of the nation's energy, and participate in API Energy Excellence®, which is accelerating environmental and safety progress by fostering new technologies and transparent reporting. Established in 1919 as a standards-setting organization, API has developed more than 800 standards to enhance operational and environmental safety, efficiency, and sustainability.

Safety is the natural gas and oil industry's highest priority, including the protection of public health and safety, the environment, and underground infrastructure. API supports the safe, reliable, and uninterrupted delivery of energy products to consumers via pipeline, one of the most environmentally friendly and safest modes of transporting energy that Americans rely on every day.

With the reshoring of advanced manufacturing and the construction and operations of data centers in the U.S., energy demand is rising in our country. The Buckeye State is poised to be one of the leading locations for new data centers, in part due to its proximity to affordable and abundant natural gas. With the planned retirements of coal-fired power plants and wind and solar power still intermittent, natural gas can provide the additional, reliable capacity to power Ohioans' daily lives. Significant new natural gas pipelines will be needed to meet this rising demand, protected by a robust and secure 811 process that requires more, not fewer, stakeholders to call or click 811 prior to excavation.

Excavation damage continues to be one the largest sources of significant incidents, including fatalities, injuries, and releases in the environment. The failure to notify a state One Call Center prior to excavation remains the leading cause of excavation incidents. Failure to call or click 811 before excavation or marking underground infrastructure is often supported by state exemptions to the One Call process for certain stakeholder groups, which increases the risk to buried pipelines. Looking deeper, water or sewer work served as the top 'Work Type' contributing to damage, with natural gas

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<sup>&</sup>lt;sup>1</sup> 2023 Common Ground Alliance DIRT Report, available at: https://commongroundalliance.com/Portals/0/Common-Ground-Alliance-DIRT-Report-2023-FINAL.pdf

pipelines bearing the brunt and accounting for roughly 40% of all damaged facilities at the national level in 2023.<sup>2</sup> Of those damages to natural gas facilities, nearly half came from water/sewer, street/roadway work, or fencing/landscaping. API supports more stakeholders participating in the 811 notification process in a united effort on behalf of all those involved to improve infrastructure safety and protection.

Ohio, specifically, had over 800 unique damages to underground infrastructure due to a lack of One Call notification before excavation in 2023 alone.<sup>3</sup> Similarly, the Buckeye State had more than 1,700 damages in 2023 from excavation issues such as failing to maintain clearance after verifying the marks or digging prior to verifying the marks using potholes, among other improper excavation practices. Natural gas pipelines were the overwhelming majority of impacted facilities at 92% or nearly 4,800 damages, in 2023. Municipal and government entities accounted for 11% of the total excavations resulting in unique damages, led only by contractors. Sewer, road work, curb/sidewalk work, drainage and water were some of the most impactful work types for municipal stakeholders. Nearly every single damage from a municipal crew (594 of 596) impacted a natural gas pipeline facility.<sup>4</sup>

Consequently, we support the provisions within HB 227 to remove the blanket exemptions for specific governmental entities to excavate without prior 811 notification and replace them with exempted, lower risk and depth-limited activities as a means to:

- protecting the health and safety of our communities and contractors, as well as environmental integrity;
- safeguard our underground infrastructure in order to help maintain economic stability and prevent costly disruptions;
- incentivize continued investment in Ohio and expand the utilization of Ohio's natural gas and oil resources within and beyond our border; and
- position Ohio to secure federal grant funding through the Pipeline and Hazardous Materials Safety Administration (PHMSA) by establishing and maintaining an 'effective' enforcement process.

HB 227 also provides needed clarification in Section 3781.28 on the two working days needed for notification before excavation commences. The previous language generated confusion whether the forty-eight-hour requirement could include non-working weekend days or holidays in the forty-eight-hour total.

HB 227 is an important step in the process of reducing the risk to buried infrastructure and better protecting people and the environment by requiring government entities to contact 811 and allowing for underground facilities to be marked before digging occurs. Protecting our underground infrastructure here in Ohio has never been more important to achieving our overall national goal of energy dominance.

In conclusion, we are grateful to the bill sponsors, Representatives Johnson and Robb Blasdel, the Ohio Underground Protection Services (OUPS), and the Ohio Underground Damage Prevention Coalition for working collaboratively to the benefit of all Ohioans. Thank you for the opportunity to testify.

<sup>&</sup>lt;sup>2</sup> 2023 Common Ground Alliance DIRT Report, available at: https://commongroundalliance.com/Portals/0/Common-Ground-Alliance-DIRT-Report-2023-FINAL.pdf

<sup>&</sup>lt;sup>3</sup> 2023 DIRT Data for Ohio, available at: https://public.tableau.com/app/profile/trisha.schoof/viz/shared/94B27H9Q6. Full data available at: https://commongroundalliance.com/dirt-dashboard

<sup>&</sup>lt;sup>4</sup> 2023 DIRT Data for Ohio, available at: https://public.tableau.com/app/profile/trisha.schoof/viz/shared/9JMFBF9M2. Full data available at: https://commongroundalliance.com/dirt-dashboard