California cannot afford a Teapot Dome

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In 1922, U.S. Interior Secretary Albert Fall secretly gave away the rights to oil fields in Elk Hills, just west of Bakersfield, and Teapot Dome, Wyo., for a pittance. After a series of congressional hearings revealed that these natural resources had been leased at millions of dollars below their true price, the Teapot Dome Scandal erupted as one of the most egregious violations of the public trust in American history.

Nearly a century later, California is at risk of another giveaway to the same industry. At stake are more than 15 billion barrels of oil in the Monterey Shale, a vast layer of sedimentary rock stretching from north of Bakersfield to Baldwin Hills, including my state Senate district in Ventura and Los Angeles counties. This formation holds two-thirds of the nation's shale oil - twice the reserves in Texas and North Dakota combined. Advances in technology like directional drilling, hydraulic fracturing ("fracking") and acid injection ("acidizing") have enabled companies to access untouched oil trapped in this shale.

These techniques raise serious, unanswered questions about air and water contamination, impairment of agricultural lands and earthquake risks. We also know that burning more oil will exacerbate the mounting climate change catastrophe.

State regulators are asleep at the switch. A series of oversight hearings revealed that the Division of Oil, Gas and Geothermal Resources has allowed companies to frack and acidize without oversight for years. The division is finally writing fracking regulations, but just like Fall's Interior Department, it is proposing a sweetheart deal for oil companies. The division's draft rules lack basic safeguards such as a permit for fracking (acidizing is not covered at all), public disclosure of all chemicals injected underground, and a thorough analysis of environmental, health and seismological risks.

Unlike Fall, who was convicted of bribery, our regulators may believe they are acting in the public interest. But leaving Californians on the hook for the costs of unchecked oil extraction is no less scandalous.

The economic potential of an oil boom cannot be viewed in a vacuum. As Gov. Jerry Brown recently stated when asked about fracking, "I have to balance my strong commitment to dealing with climate change and renewable energy with what could be a fabulous economic opportunity."

For this opportunity to be as "fabulous" as industry would have us believe, the benefits must outweigh the costs to our climate, water, air, land and public safety. This will require strict regulation of greenhouse gas emissions from the oil industry under AB32, California's statewide cap on such pollution. The law covers the oil and gas sector beginning in 2015, but it is being challenged by industry lawyers and lobbyists threatening gasoline price spikes and ballot initiatives. Striking the governor's balance will also require close study and comprehensive mitigation of groundwater and air pollution, seismic risks and other impacts.

The next Teapot Dome will probably not involve secret leases or bribes. But like other states with frackable shale formations, California may give the oil industry a free pass to quietly exploit our natural resources. With nearly 30 million cars on the road in California, we give the industry plenty of reasons to keep drilling. The question is: Will we get a square deal, or will we give away our air, water and climate for free?

Weigh in

The Legislature is considering SB4, which would create comprehensive regulations of fracking and other oil-well stimulation practices and require an independent scientific study. To contact your legislator about this issue, go to www.legislature.ca.gov.

State Sen. Fran Pavley, D-Agoura Hills (Los Angeles County), chairs the state Senate Natural Resources and Water Committee. She is the author of AB1493, the model for national fuel economy standards, and AB32, California's cap on greenhouse gas pollution.

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