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Martha Fuller-Clark, Chair
Energy and Natural Resources Committee
New Hampshire Senate
State House
Concord, NH 03301

Tuesday, January 21, 2020

Re: SB 496, funding for water quality costs of addressing PFAS

Dear Senator Fuller-Clark and Members of the Committee,

Thank you for the opportunity to provide input on this bill. NEBRA has several times provided the Committee input regarding PFAS policies and legislation. We are in favor of Senate Bill 496 and its premise: that municipalities and water quality utilities and professionals should not be asked to bear the full burden of addressing PFAS contamination. However, we do not think the bill goes far enough: it still leaves local ratepayers and taxpayers having to come up with \$80 million or more, at a minimum, in the next few years. And the question of liability is not fully addressed; for example, the bill appears not to protect from liability any landfills or private contractors working on behalf of municipalities who unknowingly, and in full compliance with DES regulations, have conveyed traces of PFAS into the environment.

SB 496 is a simple bill as written, but it raises many complicated issues. I will not get into all of them here. But one example is the phrase “user fees 20% above the state average.” Is the state average known? At what point in time? As the costs of compliance with the new PFAS requirements increase, the state average will increase. Does that mean the threshold for the added 10% state funding also increases with time?

What is most important in this bill is the underlying premise of cost. While it may seem that the state is being generous in providing tens to hundreds of millions of dollars here, the flip side is that municipalities and utilities and their taxpayers and ratepayers will still have to pay a minimum of ½ the capital costs of new PFAS treatment systems. That’s tens to hundreds of millions of dollars statewide. So we urge you to increase the state share to 70%, with the added 10% increase as already proposed.

In addition, the costs covered should not be restricted to just capital costs. The ongoing operations and maintenance of the new PFAS treatment systems are significant as well. And it is unclear, as the bill is now written, whether or not it covers the costs of finding alternative disposal for wastewater preliminary screenings and grit, biosolids, and septage.

But the most important question we need to ask – you need to ask of DES – is this: What are you getting for the money? Have you ever bought something where you didn’t know how much it would cost and what benefit you are getting?

The reason you and DES cannot answer such questions is because no one has done the necessary analysis of costs and benefits. Below is an example of what New York State did early in their discussions on imposing new drinking water

maximum contaminant levels (MCLs). By their estimate, when you change the MCLs from 35 parts per trillion to 10 parts per trillion, the costs more than double. That is pretty much what DES did when they changed their initial proposal for the NH MCLs, proposed one year ago this month, to the lower current standards. DES estimated that the lower current standards would cost New Hampshire more than \$260 million in the first two years. One could guess that, if they had stayed with the somewhat higher initial standards, the cost would be ½ as much. In other words, you might save \$130 million on this current bill, SB 496.

But you don't know. No one knows. Because no one has figured out the costs and marginal benefit of going from U. S. EPA's 70 parts per trillion standard – which DES had been using effectively – to the new MCLs that are in the teens of parts per trillion, 5 times less. The difference of going from DES's initial proposed MCLs to the current MCLs is based on one published paper – the Minnesota modeling paper, Goeden et al, 2019. Yet Minnesota ended up with a numerical standard three times higher for PFOA and 2.5 times higher for PFHxS (and the same for PFOS). The difference comes about through differences in the levels of conservative “uncertainty factors” and other assumptions in the risk calculations. The layers of protectiveness in the NH calculations go beyond anyone else's. And that is going to cost us more money. Which is fine, if we have all the money in the world and can't think of anywhere else to spend it. But that's not the case, and we don't know what marginal benefit we are buying.

Setting MCLs for drinking water has always involved cost benefit analysis, because in any public spending program, there is always a point at which the marginal benefit of spending the next dollar or \$10 million is found not to be worth it. With respect to the PFAS MCLs, you, DES, the Governor, and we don't have any idea where that point is. Don't you want to know, before you commit to spending hundreds of millions of dollars on this, rather than, for example, on addressing a public health threat that is very visibly harming people today, such as the opioid crisis? Or, as a lifelong environmentalist and scientist, I can think of many ways to spend \$130 million or more addressing our biggest challenge, climate change.

Thank you for your consideration of these comments.

Yours truly,



Ned Beecher

PFOA / PFOS Occurrence and Treatment Cost Summary for Community Systems

Target MCL (ppt)	Estimated % Community Water Systems Requiring Treatment	Estimated Number of Community Water Systems Requiring Treatment	Total Statewide Estimated Capital Cost*	Total Statewide Estimated Annual O&M Cost
4	40%	1,125	\$1,500,000,000	\$78,000,000
10	23%	645	\$855,000,000	\$45,000,000
20	14%	410	\$544,000,000	\$29,000,000
36	10%	276	\$366,000,000	\$19,000,000

*Cost estimates assume \$1,325,000 capital cost per treatment system, weighted based on number of small (2,513), mid-size (180), and large (156) community water systems in NYS