

By: Rosenthal

H.B. No. 2745

A BILL TO BE ENTITLED

AN ACT

relating to regulation by the Railroad Commission of Texas of the geologic storage of anthropogenic carbon dioxide.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 91.802(c), Natural Resources Code, is amended to read as follows:

(c) A conversion of an anthropogenic carbon dioxide injection well from use for enhanced recovery operations to use for geologic storage may be [~~is not~~] considered to be a change in the purpose of the well under standards adopted by rule.

SECTION 2. Section 121.003(d), Natural Resources Code, is amended to read as follows:

(d) The anthropogenic carbon dioxide storage trust fund may be used by the commission only for:

(1) inspecting, monitoring, investigating, recording, and reporting on geologic storage facilities and associated anthropogenic carbon dioxide injection wells;

(2) long-term monitoring of geologic storage facilities and associated anthropogenic carbon dioxide injection wells;

(3) remediation of mechanical problems associated with geologic storage facilities and associated anthropogenic carbon dioxide injection wells;

(4) repairing mechanical leaks at geologic storage

1 facilities;

2 (5) plugging abandoned anthropogenic carbon dioxide
3 injection wells used for geologic storage;

4 (6) training and technology transfer related to
5 anthropogenic carbon dioxide injection and geologic storage; ~~and~~

6 (7) compliance and enforcement activities related to
7 geologic storage and associated anthropogenic carbon dioxide
8 injection wells; and

9 (8) conducting the study required under Section
10 121.005.

11 SECTION 3. Chapter 121, Natural Resources Code, is amended
12 by adding Section 121.005 to read as follows:

13 Sec. 121.005. STUDY: SELECTION OF LOCATION AND TRANSFER OF
14 OWNERSHIP AND LIABILITY. (a) The commission shall conduct a study
15 to:

16 (1) identify potential locations on state-owned land
17 for geologic storage facilities for anthropogenic carbon dioxide;

18 (2) propose a regulatory program by which:

19 (A) the commission or another governmental
20 entity acquires title to anthropogenic carbon dioxide stored in the
21 geologic storage facility on a determination that permanent storage
22 of the anthropogenic carbon dioxide meets all applicable state and
23 federal requirements; and

24 (B) the transfer of title to the state under
25 Paragraph (A) relieves the producer of the carbon dioxide of
26 liability for any act or omission regarding the carbon dioxide in
27 the geologic storage facility; and

1 (3) identify methods for making pore space accessible
2 for the permanent geologic storage of anthropogenic carbon dioxide.

3 (b) The commission may contract with the Bureau of Economic
4 Geology at The University of Texas at Austin in identifying
5 potential locations under Subsection (a)(1).

6 (c) Not later than December 31, 2022, the commission shall
7 submit to the legislature the results of the study required by this
8 section.

9 (d) This section expires January 1, 2023.

10 SECTION 4. Sections 27.041(a) and (c), Water Code, are
11 amended to read as follows:

12 (a) The [~~Except as provided by Subsection (b), the~~] railroad
13 commission has jurisdiction over the geologic storage of carbon
14 dioxide in this state [~~, and the injection of carbon dioxide into, a~~
15 ~~reservoir that is initially or may be productive of oil, gas, or~~
16 ~~geothermal resources or a saline formation directly above or below~~
17 ~~that reservoir]~~.

18 (c) The [~~Except as provided by Subsection (b), the~~]
19 railroad commission has jurisdiction over a well used for the
20 purpose provided by Subsection (a) regardless of whether the well
21 was initially completed for that purpose or was initially completed
22 for another purpose and is converted to the purpose provided by
23 Subsection (a), including a well converted under Section 91.802(c),
24 Natural Resources Code.

25 SECTION 5. Section 27.047, Water Code, is amended to read as
26 follows:

27 Sec. 27.047. RULES. The railroad commission shall adopt

1 rules and procedures reasonably required for the performance of its
2 powers, duties, and functions under this subchapter, including
3 rules for:

4 (1) the geologic storage and associated injection of
5 anthropogenic carbon dioxide, including:

6 (A) geologic site characterization;

7 (B) area of review and corrective action;

8 (C) well construction;

9 (D) operation;

10 (E) mechanical integrity testing;

11 (F) monitoring;

12 (G) well plugging;

13 (H) postinjection site care;

14 (I) site closure; ~~and~~

15 (J) liability for anthropogenic carbon dioxide
16 held in a permanent geologic storage facility; and

17 (K) long-term stewardship;

18 (2) the enforcement of this subchapter and rules
19 adopted by the railroad commission under this subchapter; and

20 (3) the collection and administration of:

21 (A) fees imposed under Section 27.045; and

22 (B) penalties imposed for a violation of this
23 subchapter or rules adopted by the railroad commission under this
24 subchapter.

25 SECTION 6. Section 27.048(b), Water Code, is amended to
26 read as follows:

27 (b) If rules or regulations adopted to govern the geologic

1 storage and associated injection of anthropogenic carbon dioxide
2 under the federal Safe Drinking Water Act (42 U.S.C. Section 300f et
3 seq.) or another federal statute allow this state to seek primary
4 enforcement authority under the underground injection control
5 program, [÷

6 [~~(1)~~] the railroad commission shall seek primacy to
7 administer and enforce [~~the program subject to the jurisdiction~~
8 ~~granted under this subchapter; and~~

9 [~~(2) this state shall seek primacy to administer and~~
10 ~~enforce the program for~~] the geologic storage of carbon dioxide in,
11 and the injection of carbon dioxide into, a geologic [~~saline~~]
12 formation in this state.

13 SECTION 7. The following laws are repealed:

- 14 (1) Section 121.002(a), Natural Resources Code;
15 (2) Section 27.041(b), Water Code; and
16 (3) Section 27.042, Water Code.

17 SECTION 8. This Act takes effect September 1, 2021.