

By: Perry

S.B. No. 601

A BILL TO BE ENTITLED

AN ACT

relating to the creation and activities of the Texas Produced Water Consortium.

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

SECTION 1. Chapter 109, Education Code, is amended by adding Subchapter E to read as follows:

SUBCHAPTER E. TEXAS PRODUCED WATER CONSORTIUM

Sec. 109.201. DEFINITIONS. In this subchapter:

(1) "Board" means the board established by Section 109.203.

(2) "Consortium" means the Texas Produced Water Consortium.

(3) "Host university" means Texas Tech University.

(4) "Private entity" means an individual, corporation, or nonprofit corporation.

(5) "Produced water" means naturally occurring water that emerges from the ground during the production of oil or gas.

Sec. 109.202. TEXAS PRODUCED WATER CONSORTIUM. The Texas Produced Water Consortium is a consortium consisting of the host university, the board, and private entities. The consortium is created to bring together information resources to study the economics of and technology related to beneficial uses of produced water.

Sec. 109.203. ADMINISTRATION. (a) The consortium is

1 governed by a board composed of representatives of the:

2 (1) Railroad Commission of Texas;

3 (2) State Energy Conservation Office;

4 (3) Texas Commission on Environmental Quality;

5 (4) Texas Economic Development and Tourism Office

6 within the office of the governor; and

7 (5) Texas Water Development Board.

8 (b) Each entity described by Subsection (a) shall select a
9 representative to serve on the board.

10 (c) The board shall meet as often as necessary to ensure the
11 consortium meets the requirements of this subchapter.

12 Sec. 109.204. DUTIES. (a) The consortium shall study the
13 economics of beneficial uses of produced water and technology
14 needed for those uses. After October 1, 2022, the research and
15 investigation goals of the consortium shall be directed by the
16 sponsors of the consortium.

17 (a-1) This subsection expires October 1, 2022. Not later
18 than September 1, 2022, the consortium shall produce a report that
19 includes:

20 (1) suggested changes to law to better enable
21 beneficial uses of produced water;

22 (2) an economically feasible pilot project for state
23 participation in a produced water facility; and

24 (3) an economic model for using produced water in an
25 economic and efficient way.

26 (b) The host university shall:

27 (1) provide staff and other resources necessary for

1 the consortium to meet the requirements of this subchapter; and

2 (2) solicit participation from:

3 (A) the oil and gas industry;

4 (B) companies that own or manage the
5 infrastructure to store produced water and transport that water to
6 other locations for reuse; and

7 (C) water users, including:

8 (i) agricultural users;

9 (ii) political subdivisions;

10 (iii) universities; and

11 (iv) water utilities.

12 (c) The host university may coordinate with other members of
13 the state university system and state agencies to provide resources
14 necessary for the consortium to meet the requirements of this
15 subchapter.

16 Sec. 109.205. FUNDING. (a) The board and the host
17 university shall collaborate to create a fee structure for private
18 sponsors that establishes fees for various sponsorship levels for
19 private entities that may contribute money to the consortium for
20 research and investigation.

21 (b) Money paid by private entities as sponsorship fees may
22 be used only for research and investigation conducted by the
23 consortium.

24 (c) Except for state money appropriated to the host
25 university for use in meeting the requirements of Section
26 109.204(a-1), and resources provided by the host university, other
27 state university system entities, or state agencies, the consortium

1 may not receive state money.

2 (d) The consortium may accept gifts and grants of money,
3 equipment, or other resources necessary to accomplish the duties of
4 this subchapter.

5 Sec. 109.206. ACCESS TO DATA. (a) In exchange for
6 sponsorship of the consortium, a private entity may receive access
7 to data produced as a result of investigation by the consortium in
8 an amount proportionate to the entity's level of sponsorship.

9 (b) A private entity's access to the consortium's
10 investigation data must be governed by a sponsorship contract
11 between the host university and the entity that describes the data
12 to be released to the private entity.

13 SECTION 2. (a) Not later than December 1, 2021, each state
14 agency described by Section 109.203(a), Education Code, as added by
15 this Act, shall select a representative for the board of the Texas
16 Produced Water Consortium, as required by Section 109.203(b),
17 Education Code, as added by this Act.

18 (b) Not later than September 1, 2022, the Texas Produced
19 Water Consortium shall deliver the report required by Section
20 109.204(a-1), Education Code, as added by this Act.

21 (c) Not later than September 1, 2023, the Texas Produced
22 Water Consortium shall create the pilot project required by Section
23 109.204(a-1)(2), Education Code, as added by this Act.

24 SECTION 3. This Act takes effect September 1, 2021.