

1-1 By: Perry S.B. No. 601
 1-2 (In the Senate - Filed February 5, 2021; March 11, 2021,
 1-3 read first time and referred to Committee on Water, Agriculture &
 1-4 Rural Affairs; March 25, 2021, reported adversely, with favorable
 1-5 Committee Substitute by the following vote: Yeas 8, Nays 0;
 1-6 March 25, 2021, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15			X	
1-16	X			
1-17	X			

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 601 By: Perry

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to the creation and activities of the Texas Produced Water
 1-22 Consortium.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Chapter 109, Education Code, is amended by
 1-25 adding Subchapter E to read as follows:

1-26 SUBCHAPTER E. TEXAS PRODUCED WATER CONSORTIUM

1-27 Sec. 109.201. DEFINITIONS. In this subchapter:

1-28 (1) "Agency advisory council" means the agency
 1-29 advisory council created under Section 109.202.

1-30 (2) "Consortium" means the Texas Produced Water
 1-31 Consortium.

1-32 (3) "Fluid oil and gas waste" has the meaning assigned
 1-33 by Section 122.001, Natural Resources Code.

1-34 (4) "Host university" means Texas Tech University.

1-35 (5) "Private entity" means an individual,
 1-36 corporation, or nonprofit corporation.

1-37 (6) "Stakeholder advisory council" means the
 1-38 stakeholder advisory council created under Section 109.202.

1-39 (7) "Technical steering committee" means the
 1-40 technical steering committee created under Section 109.202.

1-41 Sec. 109.202. TEXAS PRODUCED WATER CONSORTIUM. The Texas
 1-42 Produced Water Consortium is a consortium consisting of the host
 1-43 university, the agency advisory council, the stakeholder advisory
 1-44 council, the technical steering committee, and private entities.
 1-45 The consortium is created to bring together information resources
 1-46 to study the economics of and technology related to beneficial uses
 1-47 of fluid oil and gas waste.

1-48 Sec. 109.203. ADMINISTRATION. (a) The agency advisory
 1-49 council is composed of representatives of the:

1-50 (1) Department of Agriculture;

1-51 (2) Railroad Commission of Texas;

1-52 (3) State Energy Conservation Office;

1-53 (4) Texas Commission on Environmental Quality;

1-54 (5) Texas Economic Development and Tourism Office
 1-55 within the office of the governor;

1-56 (6) Parks and Wildlife Department; and

1-57 (7) Texas Water Development Board.

1-58 (b) Each entity described by Subsection (a) shall select a
 1-59 representative to serve on the agency advisory council.

1-60 (c) The agency advisory council shall meet as often as

2-1 necessary to ensure the consortium meets the requirements of this
 2-2 subchapter.

2-3 (d) The agency advisory council shall advise the consortium
 2-4 on matters related to the subject matter expertise of the agencies
 2-5 represented, including matters related to the regulation and
 2-6 permitting of and treatment standards for fluid oil and gas waste.
 2-7 Treatment standards may include a fit for purpose requirement and
 2-8 regulations necessary for the protection of human health and the
 2-9 environment.

2-10 (e) The stakeholder advisory council is composed of
 2-11 representatives of:

- 2-12 (1) the oil and gas industry;
- 2-13 (2) agricultural water users;
- 2-14 (3) industrial water users;
- 2-15 (4) environmental interests;
- 2-16 (5) fluid oil and gas waste recycling operations;
- 2-17 (6) public water utilities;
- 2-18 (7) landowners or owners of groundwater rights;
- 2-19 (8) commercial water recyclers and midstream water
 2-20 companies; and
- 2-21 (9) other appropriate interests or industries.

2-22 (f) The host university shall appoint members to the
 2-23 stakeholder advisory council from members of the consortium. If no
 2-24 member of the consortium represents an interest or industry
 2-25 described by Subsection (e), the host university may appoint a
 2-26 person to represent the interest or industry from outside the
 2-27 consortium.

2-28 (g) The stakeholder advisory council shall advise the
 2-29 consortium on matters related to research, investigation, and
 2-30 contract development.

2-31 (h) The technical steering committee is composed of members
 2-32 appointed by the host university to provide technical and
 2-33 scientific expertise. The technical steering committee shall
 2-34 determine the feasibility of proposals for research or
 2-35 investigation by the consortium and decide which proposals the
 2-36 consortium will accept for research or investigation.

2-37 Sec. 109.204. DUTIES. (a) The consortium shall study the
 2-38 economics of beneficial uses of fluid oil and gas waste and
 2-39 technology needed for those uses. After October 1, 2022:

- 2-40 (1) the research and investigation goals of the
 2-41 consortium shall be directed by the members of the consortium; and
- 2-42 (2) the host university may disband the consortium if
 2-43 the host university determines that the consortium does not have
 2-44 sufficient membership.

2-45 (a-1) This subsection expires October 1, 2022. Not later
 2-46 than September 1, 2022, the consortium shall produce a report that
 2-47 includes:

- 2-48 (1) suggested changes to law to better enable
 2-49 beneficial uses of fluid oil and gas waste, including specifically
 2-50 changes designed to find and define beneficial uses for fluid oil
 2-51 and gas waste outside of the oil and gas industry;
- 2-52 (2) suggested guidance for establishing fluid oil and
 2-53 gas waste permitting and testing standards;
- 2-54 (3) an economically feasible pilot project for state
 2-55 participation in a facility designed and operated to recycle fluid
 2-56 oil and gas waste; and
- 2-57 (4) an economic model for using fluid oil and gas waste
 2-58 in a way that is economical and efficient and that protects public
 2-59 health and the environment.

2-60 (b) The host university shall:

- 2-61 (1) provide staff and other resources necessary for
 2-62 the consortium to meet the requirements of this subchapter;
- 2-63 (2) consult with the New Mexico Produced Water
 2-64 Research Consortium on completed research, data, and any other
 2-65 matter related to the consortium; and
- 2-66 (3) solicit participation from:
 - 2-67 (A) the oil and gas industry;
 - 2-68 (B) agricultural water users;
 - 2-69 (C) industrial water users;

- 3-1 (D) environmental interests;
- 3-2 (E) fluid oil and gas waste recycling operations;
- 3-3 (F) midstream water companies;
- 3-4 (G) landowners;
- 3-5 (H) owners of groundwater rights;
- 3-6 (I) public water utilities; and
- 3-7 (J) river authorities subject to Section
- 3-8 325.025, Government Code.

3-9 (c) The host university shall coordinate with other members
 3-10 of the state university system and state agencies to provide
 3-11 resources necessary for the consortium to meet the requirements of
 3-12 this subchapter.

3-13 Sec. 109.205. FUNDING. (a) The agency advisory council and
 3-14 the host university shall collaborate to create a fee structure
 3-15 that establishes membership costs at various levels for private
 3-16 entities that may contribute money to the consortium for research
 3-17 and investigation. Membership costs may include contributions of
 3-18 equipment or other resources in lieu of money.

3-19 (b) Money paid by private entities as membership costs may
 3-20 be used only for research and investigation conducted by the
 3-21 consortium.

3-22 (c) Except for state money appropriated to the host
 3-23 university for use in meeting the requirements of Section
 3-24 109.204(a-1) and resources provided by the host university and
 3-25 other state university system entities or state agencies, the
 3-26 consortium may not receive state money.

3-27 (d) The consortium may accept gifts and grants of money,
 3-28 equipment, or other resources necessary to accomplish its duties
 3-29 under this subchapter.

3-30 Sec. 109.206. ACCESS TO DATA. (a) In exchange for
 3-31 membership in the consortium, a private entity may receive access
 3-32 to data produced as a result of investigation by the consortium in
 3-33 an amount proportionate to the entity's level of membership.

3-34 (b) A private entity's access to the consortium's
 3-35 investigation data must be governed by a membership contract
 3-36 between the host university and the entity that describes the data
 3-37 to be released to the private entity.

3-38 (c) The consortium shall make information about the work and
 3-39 progress of the consortium available to the public on an Internet
 3-40 website maintained by the host university.

3-41 SECTION 2. (a) Not later than October 1, 2021, each state
 3-42 agency described by Section 109.203(a), Education Code, as added by
 3-43 this Act, shall select a representative to serve on the agency
 3-44 advisory council of the Texas Produced Water Consortium, as
 3-45 required by Section 109.203(b), Education Code, as added by this
 3-46 Act.

3-47 (b) Not later than September 1, 2022, the Texas Produced
 3-48 Water Consortium shall deliver the report required by Section
 3-49 109.204(a-1), Education Code, as added by this Act.

3-50 (c) Not later than September 1, 2022, the Texas Produced
 3-51 Water Consortium shall create the pilot project required by Section
 3-52 109.204(a-1)(3), Education Code, as added by this Act.

3-53 SECTION 3. The Texas Produced Water Consortium, as created
 3-54 by Subchapter E, Chapter 109, Education Code, as added by this Act,
 3-55 is required to implement a provision of this Act only if the
 3-56 legislature appropriates money specifically for that purpose. If
 3-57 the legislature does not appropriate money specifically for that
 3-58 purpose, the consortium may, but is not required to, implement a
 3-59 provision of this Act using other appropriations available for that
 3-60 purpose.

3-61 SECTION 4. This Act takes effect September 1, 2021.

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