

BILL ANALYSIS

C.S.H.B. 2982
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Energy Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

A constant theme of the Texas Energy Planning Council hearings was that deliberate steps should be taken to eliminate redundancies, conflicts and inefficiency posed by overlapping jurisdictions among Texas regulatory agencies that deal with energy matters. Consolidating certain energy functions at the Railroad Commission will help eliminate confusion and frustration for Texas energy industry stakeholders. HB 2982 moves an energy-related function from the Texas Commission on Environmental Quality(TCEQ) to the Railroad Commission of Texas (RRC).

HB 2982 transfers the regulatory oversight of the permitting of injection wells used for in situ uranium mining or injection wells used for the disposal of waste from situ uranium mining from the Texas Commission on Environmental Quality to the Railroad Commission of Texas. The bill provides that a person may not drill an injection well to be used for in situ uranium mining unless the person holds a permit to do so from the railroad commission. Finally, HB 2982 provides for the orderly transition of the program administration from the TCEQ to the RRC.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Railroad Commission of Texas in SECTION 4 of this bill.

ANALYSIS

SECTION 1 of the bill: Amends Water Code §27.002(12) to remove “in situ uranium mining” from the definition of “extraction of minerals.”

SECTION 2 of the bill: Amends the heading of Subchapter C, Chapter 27, Water Code to say “Jurisdiction of Railroad Commission” instead of “Oil and Gas Waste.”

SECTION 3. of the bill: Amends Section 27.033, Water Code to include waste from in situ uranium.

SECTION 4 of the bill: Adds new Water Code §27.037 and 27.038 .

Section 27.037 grants the railroad commission jurisdiction over in situ uranium mining and the discretion to issue permits for injection wells used for in situ uranium mining and injection wells used for the disposal of waste from in situ uranium mining.

The bill provides that a person may not drill an injection well to be used for in situ uranium mining or disposal of waste unless the person holds a permit to do so from the railroad commission. The bill directs the railroad commission to adopt rules to administer and regulate in situ uranium mining.

The bill stipulates that an injection well used for in situ uranium mining is designated as a Class III and an injection well used for the disposal of waste from situ uranium is designated as a Class I as well under the underground injection control program administered by the railroad commission.

Section27.038 grants authorization to the commission to issue an authorization for in situ mining of radioactive substances in a specified production area as a component of an injection well permit. provides that the commission may require additional administrative approval but does not require a hearing for the permit holder to conduct situ mining in the production area.

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On and after September 1, 2005, a rule or order of the railroad commission that requires an additional hearing for the permit holder to conduct in situ mining in the production area specified in an injection well permit is void except as an exercise of authority under Subsection (c).

This section does not affect the authority of the commission to revoke, suspend, amend a permit, investigate a permit holder, or enforce a provision of a permit.

SECTION 5 of the bill: Provides that all functions, activities, employees, rules, standards, forms, proceedings, money, contracts, leases, rights, obligations, property, records, and appropriations associated with the regulation of injection wells used for in situ uranium mining are transferred from the Texas Commission on Environmental Quality to the Railroad Commission.

This section also provides that all TCEQ permits issued for injection wells used for in situ uranium mining remain in full force and effect until the Railroad Commission issues substitute permits.

EFFECTIVE DATE

September 1, 2005

COMPARISON OF ORIGINAL TO SUBSTITUTE

The committee substitute changed includes injection wells used for the disposal of waste from in situ uranium mining in the Railroad Commission's jurisdiction. The substitute reflects the change in the caption.

SECTION 3 is added by the committee substitute.

SECTION 4. Sec. 27.037(b): The committee substitute repeals the provision that requires an approval or hearing before the permit holder may drill or operate an additional well in the production area.