

BILL ANALYSIS

H.B. 1967
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Regulated Industries
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Gasification of carbon rich material, such as coal and petroleum coke, can provide an important alternative to traditional petrochemical manufacturing feedstocks derived from crude oil and natural gas. Products of carbon gasification would supply affordable fuels for public consumption and feedstocks for the chemical, plastics and agrochemical industry. Carbon gasification is clean, environmentally friendly technology. Industries built on carbon gasification can bring additional, well-paying jobs to Texas. Under current law, common carrier pipelines can transport crude oil, natural gas, oil products, coal (in a water slurry), as well as hydrogen and carbon dioxide.

HB 1967 seeks to clarify that the same rights are available to common carrier pipelines carrying feedstocks for carbon gasification and products derived from carbon gasification.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

The bill amends section 111.002 and section 111.013 of the Natural Resources Code. This bill will provide consistent rights and obligations for the common carriage pipeline. This bill provides that pipelines carrying feedstock for carbon gasification, the products of carbon gasification, or the derivative products of carbon gasification, in whatever form, must operate as common carriage pipeline.

EFFECTIVE DATE

September 1, 2007.