BILL ANALYSIS

Senate Research Center 86R13221 JAM-D

S.B. 1585 By: Hughes Natural Resources & Economic Development 4/8/2019 As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

National Pollutant Discharge Elimination System (NPDES) is a federal regulatory program to control discharges of pollutants to surface waters of the United States. A state can be authorized to issue NPDES permits on behalf of the Environmental Protection Agency (EPA). The Texas Commission on Environmental Quality (TCEQ) program now has federal regulatory authority over discharges of pollutants to Texas surface water, with the exception of discharges associated with oil, gas, and geothermal exploration and development activities, which are regulated by the Railroad Commission of Texas (railroad commission).

S.B. 1585 would transfer state jurisdiction from the railroad commission to TCEQ to allow TCEQ to seek the authority from EPA to issue these permits for oil and gas activities. Currently, entities must go to EPA to receive NPDES permits and to the railroad commission for state permits for oil and gas activities. Given that TCEQ has an established program for Texas, with the necessary skillset and expertise of professionals and resources, it is prudent for the agency to have this authority as well and be able to issue one permit for both state and federal waters.

As proposed, S.B. 1585 amends current law relating to the authority of the Texas Commission on Environmental Quality to issue permits for the discharge into water of this state of produced water, hydrostatic test water, and gas plant effluent resulting from certain oil and gas activities.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 26.131, Water Code, as effective until delegation of authority under the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901 et seq.) to the Railroad Commission of Texas (railroad commission), by amending Subsections (a) and (b) and adding Subsection (d), as follows:

- (a) Provides that, except as provided by this section, the railroad commission is solely responsible for the control and disposition of waste and the abatement and prevention of pollution of surface and subsurface water resulting from certain specified activities.
- (b) Authorizes the railroad commission, except as provided by Subsection (d), to issue permits for the discharge of waste resulting from the activities described by Subsection (a), and requires the discharge of waste into water in this state resulting from those activities, rather than authorizing the railroad commission to issue permits for the discharge of waste resulting from these activities, and requiring the discharge of waste into water in this state these activities to meet the water quality standards established by the railroad commission.
- (d) Authorizes the Texas Commission on Environmental Quality (TCEQ) to issue permits for the discharge into water of this state of produced water, hydrostatic test water, and gas plant effluent resulting from the activities described by Subsection (a). Requires the

discharge of produced water, hydrostatic test water, and gas plant effluent into water in this state under this subsection to meet the water quality standards established by TCEQ.

SECTION 2. Amends Section 26.131, Water Code, as effective on delegation of authority under the Resource Conservation and Recovery Act of 1976 (42 U.S.C. 6901 et seq.) to the railroad commission, as follows:

- Sec. 26.131. DUTIES OF RAILROAD COMMISSION. Provides that, except as provided by this section, the railroad commission is solely responsible for the control and disposition of waste and the abatement and prevention of pollution of surface and subsurface water resulting from certain activities.
 - (b) Authorizes the railroad commission, except as provided by Subsection (c), to issue permits for the discharge of waste resulting from the activities described by Subsection (a), and the discharge of waste into water in this state resulting from those activities is required to meet the water quality standards established by the railroad commission, rather than authorizing the railroad commission to issue permits for the discharge of waste resulting from these activities, and requiring the discharge of waste into water in this state these activities to meet the water quality standards established by the railroad commission.
 - (c) Authorizes TCEQ to issue permits for the discharge into water of this state of produced water, hydrostatic test water, and gas plant effluent resulting from the activities described by Subsection (a). Requires the discharge of produced water, hydrostatic test water, and gas plant effluent into water in this state under this subsection to meet the water quality standards established by TCEQ.

SECTION 3. Makes application of Section 26.131, Water Code, as amended by this Act, prospective.

SECTION 4. Effective date: September 1, 2019.