

BILL ANALYSIS

Senate Research Center

C.S.S.B. 601
By: Perry
Water, Agriculture & Rural Affairs
3/22/2021
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 601 creates the Texas Produced Water Consortium, which would be administratively housed at Texas Tech University who will oversee the consortium, partner with other Texas universities, and work with stakeholders to reach specific goals. Within the first year of creation, the consortium will be required to create a report which details the economic and technological feasibility of a facility for oil and gas waste recycling.

(Original Author's / Sponsor's Statement of Intent)

C.S.S.B. 601 amends current law relating to the creation and activities of the Texas Produced Water Consortium.

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 Chapter 109, Education Code, by adding Subchapter E, as follows:

SUBCHAPTER E. TEXAS PRODUCED WATER CONSORTIUM

Sec. 109.201. DEFINITIONS. Defines "agency advisory council," "consortium," "fluid oil and gas waste," "host university," "private entity," "stakeholder advisory council," and "technical steering committee."

Sec. 109.202. TEXAS PRODUCED WATER CONSORTIUM. Provides that the Texas Produced Water Consortium (consortium) is a consortium consisting of Texas Tech University (the host university), the agency advisory council, the stakeholder advisory council, the technical steering committee, and private entities. Provides that the consortium is created to bring together information resources to study the economics of and technology related to beneficial uses of fluid oil and gas waste.

Sec. 109.203. ADMINISTRATION. (a) Provides that the agency advisory council is composed of representatives of the Department of Agriculture, Railroad Commission of Texas, the State Energy Conservation Office, the Texas Commission on Environmental Quality, the Texas Economic Development and Tourism Office within the Office of the Governor, the Parks and Wildlife Department, and the Texas Water Development Board.

(b) Requires each entity described by Subsection (a) to select a representative to serve on the agency advisory council.

(c) Requires the agency advisory council to meet as often as necessary to ensure the consortium meets the requirements of this subchapter.

(d) Requires the agency advisory council to advise the consortium on matters related to the subject matter expertise of the agencies represented, including matters related to the regulation and permitting of and treatment standards for fluid oil and gas waste. Authorizes treatment standards to include a fit for purpose requirement and regulations necessary for the protection of human health and the environment.

(e) Provides that the stakeholder advisory council is composed of representatives of the oil and gas industry, agricultural water users, industrial water users, environmental interests, fluid oil and gas waste recycling operations, public water utilities, landowners or owners of groundwater rights, commercial water recyclers and midstream water companies, and other appropriate interests or industries.

(f) Requires the host university to appoint members to the stakeholder advisory council from members of the consortium. Authorizes the host university, if no member of the consortium represents an interest or industry described by Subsection (e), to appoint a person to represent the interest or industry from outside the consortium.

(g) Requires the stakeholder advisory council to advise the consortium on matters related to research, investigation, and contract development.

(h) Provides that the technical steering committee is composed of members appointed by the host university to provide technical and scientific expertise. Requires the technical steering committee to determine the feasibility of proposals for research or investigation by the consortium and decide which proposals the consortium will accept for research or investigation.

Sec. 109.204. DUTIES. (a) Requires the consortium to study the economics of beneficial uses of fluid oil and gas waste and technology needed for those uses. Provides that after October 1, 2022, the research and investigation goals of the consortium are required to be directed by the members of the consortium, and the host university is authorized to disband the consortium if the host university determines that the consortium does not have sufficient membership.

(a-1) Provides that this subsection expires October 1, 2022. Requires the consortium, not later than September 1, 2022, to produce a report that includes:

(1) suggested changes to law to better enable beneficial uses of fluid oil and gas waste, including specifically changes designed to find and define beneficial uses for fluid oil and gas waste outside of the oil and gas industry;

(2) suggested guidance for establishing fluid oil and gas waste permitting and testing standards;

(3) an economically feasible pilot project for state participation in a facility designed and operated to recycle fluid oil and gas waste; and

(4) an economic model for using fluid oil and gas waste in a way that is economical and efficient and that protects public health and the environment.

(b) Requires the host university to:

(1) provide staff and other resources necessary for the consortium to meet the requirements of this subchapter;

(2) consult with the New Mexico Produced Water Research Consortium on completed research, data, and any other matter related to the consortium; and

(3) solicit participation from the oil and gas industry, agricultural water users, industrial water users, environmental interests, fluid oil and gas waste recycling operations, midstream water companies, landowners, owners of groundwater rights, public water utilities, and river authorities subject to Section 325.025 (River Authorities Subject to Review), Government Code.

(c) Requires the host university to coordinate with other members of the state university system and state agencies to provide resources necessary for the consortium to meet the requirements of this subchapter.

Sec. 109.205. FUNDING. (a) Requires the agency advisory council and the host university to collaborate to create a fee structure that establishes membership costs at various levels for private entities that may contribute money to the consortium for research and investigation. Authorizes membership costs to include contributions of equipment or other resources in lieu of money.

(b) Authorizes money paid by private entities as membership costs to be used only for research and investigation conducted by the consortium.

(c) Prohibits the consortium from receiving state money, except for state money appropriated to the host university for use in meeting the requirements of Section 109.204(a-1), and resources provided by the host university, other state university system entities, or state agencies.

(d) Authorizes the consortium to accept gifts and grants of money, equipment, or other resources necessary to accomplish its duties under this subchapter.

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

(b) Requires that a private entity's access to the consortium's investigation data be governed by a membership contract between the host university and the entity that describes the data to be released to the private entity.

(c) Requires the consortium to make information about the work and progress of the consortium available to the public on an Internet website maintained by the host university.

SECTION 2. (a) Requires each state agency described by Section 109.203(a), Education Code, as added by this Act, to select a representative to serve on the agency advisory council of the consortium, as required by Section 109.203(b), Education Code, as added by this Act, not later than October 1, 2021.

(b) Requires the consortium to deliver the report required by Section 109.204(a-1), Education Code, as added by this Act, not later than September 1, 2022.

(c) Requires the consortium to create the pilot project required by Section 109.204(a-1)(3), Education Code, as added by this Act, not later than September 1, 2022.

SECTION 3. Provides that the Texas Produced Water Consortium, as created by Subchapter E, Chapter 109, Education Code, as added by this Act, is required to implement a provision of this Act only if the legislature appropriates money specifically for that purpose. Provides that, if the legislature does not appropriate money specifically for that purpose, the consortium is

authorized, but is not required, to implement a provision of this Act using other appropriations available for that purpose.

SECTION 4. Effective date: September 1, 2021.