

AN ACT

relating to the creation and activities of the Texas Produced Water Consortium.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

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

SUBCHAPTER E. TEXAS PRODUCED WATER CONSORTIUM

Sec. 109.201. DEFINITIONS. In this subchapter:

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

(2) "Consortium" means the Texas Produced Water Consortium.

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

(4) "Host university" means Texas Tech University.

(5) "Private entity" means an individual, corporation, or nonprofit corporation.

(6) "Stakeholder advisory council" means the stakeholder advisory council created under Section 109.202.

(7) "Technical and economic steering committee" means the technical and economic steering committee created under Section 109.202.

Sec. 109.202. TEXAS PRODUCED WATER CONSORTIUM. The Texas Produced Water Consortium is a consortium consisting of the host

1 university, the agency advisory council, the stakeholder advisory
2 council, the technical and economic steering committee, and private
3 entities. The consortium is created to bring together information
4 resources to study the economics of and technology related to, and
5 the environmental and public health considerations for, beneficial
6 uses of fluid oil and gas waste.

7 Sec. 109.203. ADMINISTRATION. (a) The agency advisory
8 council is composed of representatives of the:

- 9 (1) Department of Agriculture;
10 (2) General Land Office;
11 (3) Parks and Wildlife Department;
12 (4) Railroad Commission of Texas;
13 (5) State Energy Conservation Office;
14 (6) Texas Commission on Environmental Quality;
15 (7) Texas Economic Development and Tourism Office
16 within the office of the governor; and
17 (8) Texas Water Development Board.

18 (b) Each entity described by Subsection (a) shall select a
19 representative to serve on the agency advisory council.

20 (c) The agency advisory council shall meet as often as
21 necessary to ensure the consortium meets the requirements of this
22 subchapter.

23 (d) The agency advisory council shall advise the consortium
24 on matters related to the subject matter expertise of the agencies
25 represented, including matters related to the regulation and
26 permitting of and treatment standards for fluid oil and gas waste.
27 Treatment standards may include a fit for purpose requirement and

1 regulations necessary for the protection of public health and the
2 environment.

3 (e) The stakeholder advisory council is composed of
4 representatives of:

5 (1) the oil and gas industry;

6 (2) agricultural water users;

7 (3) industrial water users;

8 (4) environmental interests;

9 (5) fluid oil and gas waste recycling operators;

10 (6) public water utilities;

11 (7) landowners or owners of groundwater rights;

12 (8) commercial water recyclers and midstream water
13 companies; and

14 (9) other appropriate interests or industries.

15 (f) The host university shall appoint members to the
16 stakeholder advisory council from members of the consortium. If no
17 member of the consortium represents an interest or industry
18 described by Subsection (e), the host university may appoint a
19 person to represent the interest or industry from outside the
20 consortium.

21 (g) The stakeholder advisory council shall advise the
22 consortium on matters related to research, investigation, and
23 contract development.

24 (h) The technical and economic steering committee is
25 composed of members appointed by the host university to provide
26 technical, economic, and scientific expertise. The technical and
27 economic steering committee shall determine the feasibility of

1 proposals for research or investigation by the consortium and
2 decide which proposals the consortium will accept for research or
3 investigation.

4 Sec. 109.204. DUTIES. (a) The consortium shall study the
5 economic, environmental, and public health considerations of
6 beneficial uses of fluid oil and gas waste and technology needed for
7 those uses. After October 1, 2022:

8 (1) the research and investigation goals of the
9 consortium shall be directed by the members of the consortium; and

10 (2) the host university may disband the consortium if
11 the host university determines that the consortium does not have
12 sufficient membership.

13 (a-1) This subsection expires October 1, 2022. Not later
14 than September 1, 2022, the consortium shall produce a report that
15 includes:

16 (1) suggested changes to laws and administrative rules
17 to better enable beneficial uses of fluid oil and gas waste,
18 including specific changes designed to find and define beneficial
19 uses for fluid oil and gas waste outside of the oil and gas
20 industry;

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

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

26 (4) an economic model for using fluid oil and gas waste
27 in a way that is economical and efficient and that protects public

1 health and the environment.

2 (b) The host university shall:

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

5 (2) consult with the New Mexico Produced Water
6 Research Consortium and that consortium's Government Advisory
7 Board on research, data, and any other matter related to the
8 consortium; and

9 (3) solicit participation from:

10 (A) the oil and gas industry;

11 (B) agricultural water users;

12 (C) industrial water users;

13 (D) environmental interests;

14 (E) fluid oil and gas waste recycling operators;

15 (F) commercial water recyclers and midstream
16 water companies;

17 (G) landowners;

18 (H) owners of groundwater rights;

19 (I) public water utilities; and

20 (J) river authorities subject to Section
21 325.025, Government Code.

22 (c) The host university shall coordinate with other members
23 of the state university system and state agencies to provide
24 resources necessary for the consortium to meet the requirements of
25 this subchapter.

26 Sec. 109.205. FUNDING. (a) The agency advisory council and
27 the host university shall collaborate to create a fee structure

1 that establishes membership costs at various levels for private
2 entities that may contribute money to the consortium for research
3 and investigation. Membership costs may include contributions of
4 equipment or other resources in lieu of money.

5 (b) Money paid by private entities as membership costs may
6 be used only for research and investigation conducted by the
7 consortium.

8 (c) Except for state money appropriated to the host
9 university for use in meeting the requirements of Section
10 109.204(a-1) and resources provided by the host university and
11 other state university system entities or state agencies, the
12 consortium may not receive state money.

13 (d) The consortium may accept gifts and grants of money,
14 equipment, or other resources necessary to accomplish its duties
15 under this subchapter.

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

20 (b) A private entity's access to the consortium's
21 investigation data must be governed by a membership contract
22 between the host university and the entity that describes the data
23 to be released to the private entity.

24 (c) The consortium shall make information about the work of
25 the consortium available to the public on an Internet website
26 maintained by the host university. Information made available
27 under this subsection may not be privileged, proprietary, or

1 confidential.

2 SECTION 2. (a) Not later than October 1, 2021, each state
3 agency described by Section 109.203(a), Education Code, as added by
4 this Act, shall select a representative to serve on the agency
5 advisory council of the Texas Produced Water Consortium, as
6 required by Section 109.203(b), Education Code, as added by this
7 Act.

8 (b) Not later than September 1, 2022, the Texas Produced
9 Water Consortium shall deliver the report required by Section
10 109.204(a-1), Education Code, as added by this Act.

11 (c) Not later than September 1, 2022, the Texas Produced
12 Water Consortium shall create a pilot project required by Section
13 109.204(a-1)(3), Education Code, as added by this Act.

14 SECTION 3. The Texas Produced Water Consortium, as created
15 by Subchapter E, Chapter 109, Education Code, as added by this Act,
16 is required to implement a provision of this Act only if the
17 legislature appropriates money specifically for that purpose. If
18 the legislature does not appropriate money specifically for that
19 purpose, the consortium may, but is not required to, implement a
20 provision of this Act using other appropriations available for that
21 purpose.

22 SECTION 4. This Act takes effect immediately if it receives
23 a vote of two-thirds of all the members elected to each house, as
24 provided by Section 39, Article III, Texas Constitution. If this
25 Act does not receive the vote necessary for immediate effect, this
26 Act takes effect September 1, 2021.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 601 passed the Senate on March 30, 2021, by the following vote: Yeas 30, Nays 1; May 25, 2021, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 27, 2021, House granted request of the Senate; May 29, 2021, Senate adopted Conference Committee Report by the following vote: Yeas 30, Nays 1.

Secretary of the Senate

I hereby certify that S.B. No. 601 passed the House, with amendments, on May 18, 2021, by the following vote: Yeas 143, Nays 0, one present not voting; May 27, 2021, House granted request of the Senate for appointment of Conference Committee; May 29, 2021, House adopted Conference Committee Report by the following vote: Yeas 132, Nays 5, one present not voting.

Chief Clerk of the House

Approved:

Date

Governor