

1-1 By: Birdwell, Blanco S.B. No. 786  
 1-2 (In the Senate - Filed February 8, 2023; March 1, 2023, read  
 1-3 first time and referred to Committee on Natural Resources &  
 1-4 Economic Development; April 6, 2023, reported favorably by the  
 1-5 following vote: Yeas 9, Nays 0; April 6, 2023, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			

1-17 A BILL TO BE ENTITLED  
 1-18 AN ACT

1-19 relating to the regulation by the Railroad Commission of Texas of  
 1-20 closed-loop geothermal injection wells.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Subchapter C, Chapter 27, Water Code, is amended  
 1-23 by adding Section 27.037 to read as follows:

1-24 Sec. 27.037. JURISDICTION OVER CLOSED-LOOP GEOTHERMAL  
 1-25 INJECTION WELLS. (a) In this section, "closed-loop geothermal  
 1-26 injection well" means a closed system geothermal well used to  
 1-27 circulate water, other fluids, or gases through the earth as a heat  
 1-28 source or heat sink to generate power or heat or cool a structure.

1-29 (b) The railroad commission has jurisdiction over  
 1-30 closed-loop geothermal injection wells and may issue permits for  
 1-31 closed-loop geothermal injection wells, including individual  
 1-32 permits, general permits, or permits by rule.

1-33 (c) A person may not begin drilling a closed-loop geothermal  
 1-34 injection well unless that person holds a valid permit issued by the  
 1-35 railroad commission under this section.

1-36 (d) For purposes of railroad commission regulation, a  
 1-37 closed-loop geothermal injection well is designated as a Class V  
 1-38 well under the underground injection control program administered  
 1-39 by the railroad commission.

1-40 (e) The railroad commission shall adopt rules as necessary  
 1-41 to administer this section and regulate closed-loop geothermal  
 1-42 injection wells.

1-43 SECTION 2. (a) In this section:

1-44 (1) "Closed-loop geothermal injection well" has the  
 1-45 meaning assigned by Section 27.037, Water Code, as added by this  
 1-46 Act.

1-47 (2) "Commission" means the Texas Commission on  
 1-48 Environmental Quality.

1-49 (3) "Railroad commission" means the Railroad  
 1-50 Commission of Texas.

1-51 (b) On the effective date of this Act:

1-52 (1) all functions and activities performed by the  
 1-53 commission that relate to the regulation of closed-loop geothermal  
 1-54 injection wells under Chapter 27, Water Code, are transferred to  
 1-55 the railroad commission;

1-56 (2) a rule, standard, or form adopted by the  
 1-57 commission that is related to the regulation of closed-loop  
 1-58 geothermal injection wells under Chapter 27, Water Code, is a rule,  
 1-59 standard, or form of the railroad commission and remains in effect  
 1-60 until altered by the railroad commission;

1-61 (3) a proceeding involving the commission that is

2-1 related to the regulation of closed-loop geothermal injection wells  
2-2 under Chapter 27, Water Code, is transferred without change in  
2-3 status to the railroad commission, and the railroad commission  
2-4 assumes, without change in status, the position of the commission  
2-5 in any proceeding relating to the regulation of closed-loop  
2-6 geothermal injection wells to which the commission is a party;

2-7 (4) all money, contracts, leases, rights, and  
2-8 obligations of the commission related to closed-loop geothermal  
2-9 injection wells under Chapter 27, Water Code, are transferred to  
2-10 the railroad commission;

2-11 (5) all property, including records, in the custody of  
2-12 the commission related to the regulation of closed-loop geothermal  
2-13 injection wells under Chapter 27, Water Code, is transferred to the  
2-14 railroad commission; and

2-15 (6) all money appropriated to the commission for  
2-16 purposes related to the regulation of closed-loop geothermal  
2-17 injection wells under Chapter 27, Water Code, is transferred to the  
2-18 railroad commission.

2-19 (c) Section 27.037, Water Code, as added by this Act, does  
2-20 not affect the validity of a permit for a closed-loop geothermal  
2-21 injection well issued before the effective date of this Act.

2-22 (d) Not later than the 90th day after the effective date of  
2-23 this Act:

2-24 (1) the railroad commission shall issue a substitute  
2-25 permit under the name and authority of the railroad commission to  
2-26 each person who on the effective date of this Act holds a valid  
2-27 permit issued by the commission for a closed-loop geothermal  
2-28 injection well; and

2-29 (2) the commission shall transmit to the railroad  
2-30 commission all pending applications for closed-loop geothermal  
2-31 injection wells submitted to the commission before the effective  
2-32 date of this Act.

2-33 SECTION 3. This Act takes effect September 1, 2023.

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