

## **BILL ANALYSIS**

C.S.S.B. 601  
By: Perry  
Natural Resources  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

It has been suggested that there is a need to bring together information resources to study the economics of and technology related to, and the environmental and public health considerations for, beneficial uses of fluid oil and gas waste. C.S.S.B. 601 seeks to address this need by creating the Texas Produced Water Consortium.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **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**

C.S.S.B. 601 amends the Education Code to create the Texas Produced Water Consortium to bring together information resources to study the economics of and technology related to, and the environmental and public health considerations for, beneficial uses of fluid oil and gas waste. The consortium consists of Texas Tech University, private entities, and the following advisory entities that are created by the bill:

- the agency advisory council;
- the stakeholder advisory council; and
- the technical and economic steering committee.

#### **Composition and Function of Advisory Entities**

C.S.S.B. 601 establishes that the agency advisory council is composed of representatives of specified state agencies and requires each such agency, not later than October 1, 2021, to select a representative to serve on the council. The bill requires the council to meet as often as necessary to ensure the consortium meets the bill's requirements. The bill requires the 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. Treatment standards may include a fit for purpose requirement and regulations necessary for the protection of public health and the environment.

C.S.S.B. 601 establishes that the stakeholder advisory council is composed of representatives of applicable interests and industries, as specified by the bill. The bill requires the council to advise the consortium on matters related to research, investigation, and contract development and sets out provisions relating to the appointment of council members by Texas Tech University.

C.S.S.B. 601 establishes that the technical and economic steering committee is composed of members appointed by Texas Tech University to provide technical, economic, and scientific expertise. The bill requires the 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.

### **Duties of Consortium and Texas Tech University**

C.S.S.B. 601 requires the consortium to study the economic, environmental, and public health considerations of beneficial uses of fluid oil and gas waste and technology needed for those uses. The bill requires the consortium, not later than September 1, 2022, to produce and deliver a report that includes the following:

- suggested changes to laws and administrative rules to better enable beneficial uses of fluid oil and gas waste, including specific changes designed to find and define beneficial uses for fluid oil and gas waste outside of the oil and gas industry;
- suggested guidance for establishing fluid oil and gas waste permitting and testing standards;
- a technologically and economically feasible pilot project, to be created by the consortium not later than September 1, 2022, for state participation in a facility designed and operated to recycle fluid oil and gas waste; and
- 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.

That report requirement expires October 1, 2022. After that date, the consortium's research and investigation goals are to be directed by consortium members, and Texas Tech University may disband the consortium if the university determines that the consortium does not have sufficient membership.

C.S.S.B. 601 requires Texas Tech University to do the following:

- provide staff and other resources necessary for the consortium to meet the bill's requirements;
- consult with the New Mexico Produced Water Research Consortium and that consortium's Government Advisory Board on research, data, and any other matter related to the consortium;
- solicit participation from specified stakeholder groups; and
- coordinate with other members of the state university system and state agencies to provide resources necessary for the consortium to meet the bill's requirements.

### **Funding**

C.S.S.B. 601 requires the agency advisory council and Texas Tech 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. Membership costs may include contributions of equipment or other resources in lieu of money. The bill restricts the use of money paid by private entities as membership costs to research and investigation conducted by the consortium. The bill prohibits the consortium from receiving state money, except for state money appropriated to Texas Tech University for use in meeting the bill's report requirement and resources provided by the university and other state university system entities or state agencies. The consortium may accept gifts and grants of money, equipment, or other resources necessary to accomplish its duties.

### **Access to Data**

C.S.S.B. 601 authorizes a private entity, in exchange for consortium membership, to receive access to data produced as a result of investigation by the consortium in an amount proportionate to the entity's level of membership. A private entity's access to the consortium's investigation data must be governed by a membership contract between Texas Tech University and the entity

that describes the data to be released to the private entity. The bill requires the consortium to make information about its work available to the public on a website maintained by the university but establishes that information made available on the website may not be privileged, proprietary, or confidential.

### **Implementation Contingent on Appropriation**

Implementation of a provision of this bill by the consortium is mandatory only if a specific appropriation is made for that purpose.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2021.

### **COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE**

While C.S.S.B. 601 may differ from the engrossed in minor or nonsubstantive ways, the following summarizes the substantial differences between the engrossed and committee substitute versions of the bill.

The substitute revises the engrossed's provisions establishing the purpose and duties of the consortium to include as such a purpose and duty the study of environmental and public health considerations for the beneficial uses of fluid oil and gas waste.

The substitute includes a representative of the General Land Office as a member of the agency advisory council, whereas the engrossed does not include this representative.

The substitute renames the technical steering committee created by the engrossed as the technical and economic steering committee and makes a related change regarding the type of expertise the council provides.

The substitute requires the consortium's report to include suggested changes to laws and administrative rules, whereas the engrossed required the report to include suggested changes to law. The substitute includes a specification absent from the engrossed that the pilot project included in the report be technologically feasible.

The substitute revises the requirement in the engrossed for Texas Tech University to consult with the New Mexico Produced Water Research Consortium by also requiring consultation with that consortium's Government Advisory Board.

The substitute includes a provision that did not appear in the engrossed establishing that information about the consortium's work that is made available to the public on a website maintained by Texas Tech University may not be privileged, proprietary, or confidential.

The substitute changes the bill's effective date from September 1, 2021, as in the engrossed, to on passage or September 1, 2021, if the bill does not receive the necessary vote for immediate effect.