

SUBJECT: Removing licensing requirements for natural gas container manufacturers

COMMITTEE: Energy Resources — favorable, without amendment

VOTE: 9 ayes — Paddie, Herrero, Bailes, Craddick, Darby, Gutierrez, Harris, Perez, Rosenthal

0 nays

2 absent — Anchia, Geren

WITNESSES: For — (*Registered, but did not testify:* Paula Bulcao, BP America, Inc.; Tom Sellers, ConocoPhillips; Jimmy Carlile, Fasken Oil and Ranch; Ryan Paylor, Texas Independent Producers and Royalty Owners Association)

Against — None

On — April Richardson, Railroad Commission of Texas; (*Registered, but did not testify:* Haley Cochran and Corey Crawford, Railroad Commission of Texas)

BACKGROUND: Natural Resources Code sec 116.031 requires manufacturers of compressed liquid gas (CNG) cylinders or liquid natural gas (LNG) containers produced for use in the state to obtain a license from the Texas Railroad Commission.

It has been suggested that Railroad Commission licensing of CNG and LNG container manufacturers is redundant, since these manufacturers are also subject to federal regulation and standards issued by the American Society of Civil Engineers.

DIGEST: HB 2127 would repeal the requirement that manufacturers of compressed natural gas cylinders or liquid natural gas containers for use in the state be licensed by the Railroad Commission. Instead, the commission would be required to adopt rules providing for the registration of these manufacturers.

The bill would take effect September 1, 2019.