

BILL ANALYSIS

Senate Research Center

H.B. 866
By: Anchia et al. (Johnson)
Natural Resources & Economic Development
5/15/2019
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Interested parties assert that natural gas pipelines made of cast iron are some of the oldest and most high-risk energy pipelines in the United States. They are also the most leak prone, leaking on average 27.25 cubic feet of methane per hour. Pipe leaks are a urgent safety concern, as leaked natural gas can cause fires and explosions, resulting in serious injury or death. Pipe leaks are also a waste of resources, a financial burden on consumers, and cause irreversible damage to the environment.

H.B. 866 would require natural gas operators to replace all cast iron pipelines by December 31, 2021. In addition, operators would be prohibited from installing new lines made from cast iron, wrought iron, or bare steel. HB 866 also requires pipeline operators to replace eight percent of their highest risk pipelines every year.

This bill was the result of extensive stakeholder negotiations with gas companies and other entities, and has the support of all parties.

H.B. 866 amends current law relating to the installation, removal, and replacement of certain gas pipelines, and clarifies changes to related administrative penalties.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Railroad Commission of Texas in SECTION 2 (Section 121.213, Utilities Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Sections 121.206(a) and (d), Utilities Code, as follows:

(a) Authorizes the Railroad Commission of Texas (railroad commission) to assess an administrative penalty against a person who violates Section 121.201 (Safety Rules; Railroad Commission Power Under Delegated Federal Authority) or a safety standard or other rule prescribed or adopted under this subchapter (Pipeline Safety), rather than under that section.

(d) Makes a conforming change to this subsection.

SECTION 2. Amends Subchapter E, Chapter 121, Utilities Code, by adding Section 121.213, as follows:

Sec. 121.213. INSTALLATION, REMOVAL, AND REPLACEMENT OF CERTAIN PIPELINES. (a) Defines "distribution gas pipeline facility" for purposes of this section.

(b) Prohibits a distribution gas pipeline facility operator from installing as part of the operator's underground system a cast iron, wrought iron, or bare steel pipeline.

(c) Requires the railroad commission by rule to require the operator of a distribution gas pipeline facility system to:

(1) develop and implement a risk-based program for the removal or replacement of underground distribution gas pipeline facilities; and

(2) annually remove or replace at least eight percent of underground distribution gas pipeline facilities posing the greatest risk in the system and identified for replacement under the program.

(d) Requires a distribution gas pipeline facility operator to replace any known cast iron pipelines installed as part of the operator's underground system not later than December 31, 2021.

(e) Provides that Subsection (d) and this subsection expire September 1, 2023.

SECTION 3. Requires the railroad commission to adopt any rules necessary to implement the changes in law made by this Act not later than December 31, 2019.

SECTION 4. Effective date: upon passage or September 1, 2019.