

SENATE FINANCE COMMITTEE

WORKGROUP ON
ARTICLES VI, VII & VIII

Article VI Rider Packet
ADOPTED RIDERS

March 24, 2015

By: Uresti

Texas Commission on Environmental Quality
Proposed Rider
Remove Current Rider 26

Overview

Eliminate Rider 26. Current Rider 26 was added to TCEQ's budget packet in 2011 when the TCEQ was considering extending new rules approved in the Barnett-Shale for oil and gas facilities to other areas of the state. The legislature passed a new law that requires that before any new air quality regulations on any oil and gas facilities are proposed, a cost-benefit analysis be conducted, and that monitoring data and modeling support the need for new air quality standards. Because these statutory requirements already are in place, rider 26 is not necessary. In addition, as written, rider 26 actually puts a further restriction by preventing TCEQ from conducting the required study by disallowing any funds to be spent for the study, and requiring that no additional rules be developed over the next two years. This is clearly beyond the scope of most riders and because there are real air quality issues in areas like the Eagle Ford that may need addressing, the rider prevents TCEQ from addressing these concerns. While TCEQ has no current plans to extend the regulations to the Eagle Ford and other areas, the rider essentially prevents them from doing so over the next two years even if on-the-ground conditions change.

Proposed Action

Eliminate Rider 26 on VI-28 of Texas Commission of Environmental Quality

26. Barnett Shale Permit By Rule Study. The Texas Commission on Environmental Quality (TCEQ) is not authorized to expend any funds appropriated in this Act to implement a rule that would extend 30 Texas Administrative Code, §106.352, Oil and Gas Handling Production Facilities, Rule Project No. 2010-018-106-PR ("Barnett Shale permit by rule") to oil and gas sources located outside the 23-county area of the Barnett Shale identified in subsection (a)(1) of the Barnett Shale permit by rule region ("Barnett Shale Region") until after August 31, 20152017 and until after the agency conducts a study and files a report with the Legislature on the economic impact of extending the provisions of the Barnett Shale permit by rule to other areas of the state. Such a study may be funded through (1) grants, awards, or other gifts made to the TCEQ for that purpose; (2) funds directed to this study through supplemental environmental projects; or (3) by the use of the Texas Emissions Reduction Plan funds, as available. The study shall:

- (a) Be based on data collected during the 18-month period following initial implementation of the Barnett Shale permit by rule in the Barnett Shale Region;
- (b) Assess the technical feasibility and economic reasonableness of the implementation of the Barnett Shale permit by rule in geographic areas outside of the Barnett Shale Region, including an assessment of the economic impacts on the oil and gas industry and the Texas economy; and
- (c) Assess any other factors the TCEQ deems relevant.

Nothing herein in this rider shall be construed to limit the TCEQ's authority to develop a permit by rule or other authorization for planned maintenance, startup, and shutdown emissions from oil and gas sources located outside the Barnett Shale Region.

By: Uresti

Railroad Commission of Texas
Proposed Funding and Rider
Best Practices on Air Quality and Water Protection

Overview

The following action would require out of their current funding the RRC to conduct a best practices study on emissions resulting from oil and gas equipment, including the use of flaring and venting, as well as best practices intended to protect ground and surface water from oil and gas disposal activities.

Required Action

1. Add the following rider to page VI-59.

Analysis of Best Practices and Potential Safeguards to Prevent Air Emissions and Spills. Out of the funds allocated above, the Railroad Commission of Texas will examine best practices and recent proposed and adopted rules at the federal level as well as in other oil and gas producing states, including rules proposed for informal comment in Texas, on injection disposal wells and the prevention of air emissions including methane and other useful products from oil and gas equipment, including the use of flaring and venting during the initial completion and operation of oil and gas wells. As part of this analysis, the Commission shall prepare a publicly available report on options for improving safety, notice and air and water quality from oil and gas production wells and facilities and disposal wells. The Commission shall make its analysis available by January of 2016 for public comment and post a final version of the report on its website by June of 2016, after considering public comment. Nothing in this rider prevents the Commission from initiating rulemaking on the issues contained in the study under their existing authority.

By: Lucio Hinojosa

Water Development Board
Proposed Funding and Rider
Delta Region Water Management Project

Prepared by LBB Staff, March 1, 2015

Overview

The proposed rider would authorize the Water Development Board to use up to \$10 million per fiscal year during the 2016-17 biennium from existing appropriations and unexpended balances in General Revenue from both Strategy A.2.2, Water Resource Planning, and Strategy B.1.1, Water Project Financing to provide grant funding to the Hidalgo County Drainage District #1 for use in the Delta Region Water Management Project designed to reclaim surface water runoff. There would be no cost associated with the rider.

Required Action

On page VI-71 of the Water Development Board's bill pattern, add the following rider:

_____. **Delta Region Water Management Project.** General Revenue appropriations above in each fiscal year in Strategy A.2.2, Water Resources Planning, and Strategy B.1.1, Water Project Financing, and any unobligated and unexpended balances from appropriations from the General Revenue Fund in those strategies carried forward into fiscal year 2017 may be used by the Water Development Board to provide grant funding to the Hidalgo County Drainage District #1 to implement the Delta Region Water Management Project. The aggregate amount of funding to be provided for this purpose from both strategies shall not exceed \$10,000,000 in each fiscal year of the 2016-17 biennium.

* This rider:

1. Applies **unexpended balances** from **two strategies** of the Texas Water Development Board's bill pattern to the Delta Region Water Management Project. The two strategies are: A.2.2, Water Resources Planning and B.1.1, Water Project financing; and
2. **No increase of GR.**