

STAFF REPORTS

TEXAS GOVERNMENT AFFAIRS

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This has been a very busy quarter for issues that the Texas Legislative Committee has engaged on directly. While the Legislature is currently not in session, House and Senate Committees have picked up steam after the March primaries and the May runoffs and have held several hearings. In addition to the work of the interim legislative committees, the Texas Sunset Commission (the agency tasked with reviewing state agencies and determining whether to continue the agency functions and make recommendations) has also been meeting.

For our interests, two agencies, the Public Utilities Commission (PUC) and the Texas Commission on Environmental Quality (TCEQ) are both up for Sunset Review. Given the recent focus on electrical issues, we are keeping apprised of the conversations surrounding the PUC as they may present both a challenge and opportunity to affect oil and gas operations. Additionally, the TCEQ currently permits certain air activities that have impacts on operations and oil and gas development. Both of these reviews will lead to legislation that we will certainly want to monitor and prevent from becoming amended if those amendments restrict or prohibit oil and gas development.

In addition to the above described efforts and perhaps most importantly, the PBPA Legislative Committee has been seriously engaged in working to amend RRC Rule 3.65 and preparing comments on Rule 3.66. Together these efforts have made up the bulk of the RRC efforts to implement Senate Bill 3. We have gathered PBPA members on multiple occasions to visit with RRC staff and with each other to coordinate our efforts. There is no question that Texans deserve an electric grid they can rely on and our role has been to inform elected officials and state agencies about the issues that could improve reliability in the most reasonable way. At this time the consensus from our membership is to provide regulatory relief from the current structure of Rule 3.65 where we can focus the efforts on the most abundant gas production and ensure that we are not creating economic challenges that do not benefit grid reliability or operators.

This has been a huge task and we greatly appreciate our member's efforts and collaboration on these two rulemakings. We continue to engage with our local representatives and those across the state to represent the most vibrant oil and gas operating region in the world.