

# STAFF REPORT

## TEXAS GOVERNMENT AFFAIRS

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This Quarter PBPA was deeply focused on the second half of the Texas Legislative Session, where the bulk of work remained in funding vital state agencies like the Railroad Commission of Texas and the Public Utility Commission.

In total Texas lawmakers filed a total of 10,877 bills, including congratulatory and memorial resolutions. The House and Senate led by Speaker Dade Phelan and Lt. Governor Dan Patrick, respectively, together finally passed 4,581 of them, and Governor Abbott signed 1,323 of them, roughly 29%. He vetoed 21 bills or 0.458%.

As many of you already know, the winter storm that hit Texas in February led the largest shift of focus for the entire session, and our efforts helped lead the discussion to the most productive areas to address the challenges that existed. The single greatest legislative items included reforms of the entire system of electric generation in the ERCOT grid, a complete overhaul of the PUC, a review of how electricity is generated, and broadly ensuring that all segments of the supply chain are reliable through mapping that will take place this summer and fall.

PBPA worked diligently to ensure that gas supplies remain adequate for electric generation and that proposed legislation did not create terrible hurdles for operators who are dealing with the lingering effects of the pandemic and are now trying to pivot into the post-Covid economic environment.

For America's Oilfield, this session presented real challenges and existential threats to the vibrancy and diversity of operations across the Permian Basin and the communities that call it home. Given the unique and serious challenges facing the industry in January, PBPA is proud of the work it accomplished with the support and effort of PBPA member companies.

Our Texas Legislative Committee met at least weekly throughout the session and had robust discussions on a wide variety of issues until the very end of session, and PBPA met during and after the veto period to continue our work and success throughout the interim. For a full report on PBPA's activities during the regular legislative session, please see PBPA's Final Report on the 2021 Regular Session. We have also prepared reports based specifically on topic and a summary of upcoming regulatory actions.

There are numerous rulemakings at various agencies that we have identified and our association will have our hands full in the interim working with agencies tasked with rulemakings that seek to prepare for weather we hope we never see again. Additionally, the Legislature has already returned for the First Called Session to tackle additional issues that Governor Abbott has identified.

Your commitment to PBPA is what allows us to work to ensure that the Permian Basin remains the greatest place in the world to develop natural resources, as well as live, work, and raise a family. We salute your service.