

STAFF REPORT

TEXAS GOVERNMENT AFFAIRS

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The Texas Legislative Committee has had a very active quarter. In addition to working through the ongoing rulemakings at the Public Utility Commission (PUC), the Railroad Commission of Texas (RRC), and Electrical Reliability Council of Texas (ERCOT), the committee has also been kept apprised and engaged on other legislative and agency activity. This includes conversations with lawmakers and agency heads about the Sunset Review of the PUC and Texas Commission on Environmental Quality (TCEQ).

Each interim, the Sunset Advisory Commission reviews agencies to ensure their efficacy and value to Texas taxpayers. This interim, especially given the focus on air issues and last winter's storm, the focus on TCEQ and the PUC remains very important for our members. We have met with the Chair of the PUC and others at each agency to engage as a stakeholder and ensure that new policies or activities are beneficial to operators in the Permian Basin.

But most prominently this quarter, the Texas Legislative Committee provided substantive public comment to the RRC that was cited frequently in their adopted rules regarding critical infrastructure adopted last week. We have already scheduled compliance meetings with operators to introduce the rule, answer what questions we can, and get answers for questions that arise. We are so thankful to have such an engaged membership and their input on this rulemaking has been vital to crafting a reasonable and workable rule. We are also thankful for Chairman Wayne Christian and Commissioners Christi Craddick and Jim Wright, as well as their staffs and the agencies work throughout the process.

This quarter was a robust and active quarter and we certainly expect that to continue into the New Year as we continue to engage with lawmakers and staff in preparation for successful legislative and regulatory efforts throughout 2022.