

BILL ANALYSIS

Senate Research Center
87R7737 SLB-D

S.B. 601
By: Perry
Water, Agriculture & Rural Affairs
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 601 creates the Texas Produced Water Consortium, which would be administratively housed at Texas Tech University who will oversee the consortium, partner with other Texas universities, and work with stakeholders to reach specific goals. Within the first year of creation, the consortium will be required to create a report which details the economic and technological feasibility of a facility for oil and gas waste recycling.

As proposed, S.B. 601 amends current law relating to the creation and activities of the Texas Produced Water Consortium.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 109, Education Code, by adding Subchapter E, as follows:

SUBCHAPTER E. TEXAS PRODUCED WATER CONSORTIUM

Sec. 109.201. DEFINITIONS. Defines "board," "consortium," "host university," "private entity," and "produced water."

Sec. 109.202. TEXAS PRODUCED WATER CONSORTIUM. Provides that the Texas Produced Water Consortium (consortium) is a consortium consisting of Texas Tech University (the host university), the board established by Section 109.203, and private entities. Provides that the consortium is created to bring together information resources to study the economics of and technology related to beneficial uses of produced water.

Sec. 109.203. ADMINISTRATION. (a) Provides that the consortium is governed by a board composed of representatives of the Railroad Commission of Texas, the State Energy Conservation Office, the Texas Commission on Environmental Quality, the Texas Economic Development and Tourism Office within the Office of the Governor, and the Texas Water Development Board.

(b) Requires each entity described by Subsection (a) to select a representative to serve on the board.

(c) Requires the board to meet as often as necessary to ensure the consortium meets the requirements of this subchapter.

Sec. 109.204. DUTIES. (a) Requires the consortium to study the economics of beneficial uses of produced water and technology needed for those uses. Requires that the research and investigation goals of the consortium after October 1, 2022, be directed by the sponsors of the consortium.

(a-1) Provides that this subsection expires October 1, 2022. Requires the consortium, not later than September 1, 2022, to produce a report that includes:

- (1) suggested changes to law to better enable beneficial uses of produced water;
- (2) an economically feasible pilot project for state participation in a produced water facility; and
- (3) an economic model for using produced water in an economic and efficient way.

(b) Requires the host university to:

- (1) provide staff and other resources necessary for the consortium to meet the requirements of this subchapter; and
- (2) solicit participation from the oil and gas industry, companies that own or manage the infrastructure to store produced water and transport that water to other locations for reuse, and water users, including agricultural users, political subdivisions, universities, and water utilities.

(c) Authorizes the host university to coordinate with other members of the state university system and state agencies to provide resources necessary for the consortium to meet the requirements of this subchapter.

Sec. 109.205. FUNDING. (a) Requires the board and the host university to collaborate to create a fee structure for private sponsors that establishes fees for various sponsorship levels for private entities that may contribute money to the consortium for research and investigation.

(b) Authorizes that money paid by private entities as sponsorship fees be used only for research and investigation conducted by the consortium.

(c) Prohibits the consortium from receiving state money, except for state money appropriated to the host university for use in meeting the requirements of Section 109.204(a-1), and resources provided by the host university, other state university system entities, or state agencies.

(d) Authorizes the consortium to accept gifts and grants of money, equipment, or other resources necessary to accomplish the duties of this subchapter.

Sec. 109.206. ACCESS TO DATA. (a) Authorizes a private entity, in exchange for sponsorship of the consortium, to receive access to data produced as a result of investigation by the consortium in an amount proportionate to the entity's level of sponsorship.

(b) Requires that a private entity's access to the consortium's investigation data be governed by a sponsorship contract between the host university and the entity that describes the data to be released to the private entity.

SECTION 2. (a) Requires each state agency described by Section 109.203(a), Education Code, as added by this Act, to select a representative for the board, as required by Section 109.203(b), Education Code, as added by this Act, not later than December 1, 2021.

(b) Requires the consortium to deliver the report required by Section 109.204(a-1), Education Code, as added by this Act, not later than September 1, 2022.

(c) Requires the consortium to create the pilot project required by Section 109.204(a-1)(2), Education Code, as added by this Act, not later than September 1, 2023.

SECTION 3. Effective date: September 1, 2021.