

- SUBJECT:** Saltwater pipeline facilities in right-of-way
- COMMITTEE:** Energy Resources — committee substitute recommended
- VOTE:** 9 ayes — Keffer, Crownover, Burnam, Canales, Craddick, Dale, Lozano, Paddie, Wu
- 1 nay — R. Sheffield
- 1 absent — P. King
- WITNESSES:** For — (*Registered, but did not testify:* Thure Cannon, Texas Pipeline Association; June Deadrick, CenterPoint Energy; Mark Menendez, Tarrant County; TJ Patterson, City of Fort Worth; Cyrus Reed, Lone Star Chapter - Sierra Club; Lindsay Sander, Markwest Energy; Monty Wynn, Texas Municipal League)
- Against — None
- On — John Barton, TxDOT; Mary “Polly” Ross McDonald, Railroad Commission of Texas; Bill Stevens, Texas Alliance of Energy Producers
- DIGEST:** CSHB 2406 would allow a saltwater pipeline operator to install, maintain, and operate a saltwater pipeline facility on a public road, provided that:
- the pipeline complied with applicable rules adopted by the Texas Transportation Commission (TTC) and county and municipal regulations regarding the accommodation of public road of right-of-way;
 - the saltwater pipeline operator (operator) ensured that the public road and associated facilities were promptly restored after pipeline installation or maintenance; and
 - the operator leased the right-of-way at a fair market value unless otherwise authorized.
- The TTC, county commissions court, or governing body of a municipality could require a saltwater pipeline facility to move and pay for associated costs for construction or expansion of a public road or other public work

provided that the operator did not have a property interest in the land occupied by the facility to be relocated. Those entities would have to give the operator 30 days' notice of the requirement and include the location on the new right-of-way where the facility was to be located.

The bill would not limit the authority of a saltwater pipeline facility to use a public right-of-way under any law nor would it affect the authority of a municipality to regulate the use of public right-of-way by a saltwater pipeline operator under any other law or require payment of an authorized city tax.

The bill would define a saltwater pipeline facility as a facility that conducted water containing salt and other substances, flowback water, or produced water from an hydraulic fracturing treatment to an oil and gas waste disposal well.

**SUPPORTERS
SAY:**

CSHB 2406 would allow a common carrier to operate a saltwater pipeline in a right-of-way, which would reduce the number of heavy trucks on the road that transport waste fluid to a disposal well.

The increase of hydraulic fracture drilling (fracking) has led to a rapid and successful increase in energy production in Texas, but with the expansion of this water-intensive drilling process has come the requirement to dispose of high-salinity wastewater containing chemicals, sand, and other minerals. Currently, thousands of large trucks and overweight vehicles are required to transport this fluid waste to disposal injection wells. The use of these large trucks results in increased emissions, traffic, and collisions and the wear to roads costs the state and local governments millions of dollars in road repair and maintenance.

According to a report by the State's Task Force on Texas' Energy Sector Roadway Needs, rebuilding the infrastructure in regions with increased energy-related activities will cost approximately \$2 billion per year for state highways and another \$2 billion per year for city streets and county roads. Based on 2010 figures from TxDOT, during peak fracking activity in the Barnett Shale region, the average well was producing about 4,200 gallons of wastewater per day, requiring 353 truckloads a year or roughly one truck load per day per wellhead. With around 8 to 10 wellheads per site in areas like the Barnett Shale, that means 2,824 and 3,530 truckloads a year for just one well site.

The expanded use of saltwater pipelines could alleviate costs to the state and local government associated with energy production by minimizing the need for overweight trucks. However, there is no right-of-way provided in state law that would allow operators to place new saltwater pipelines. HB 2406 would allow saltwater pipeline operators to install, maintain, and operate saltwater pipelines through, under, along, across or over a highway and put saltwater pipelines on the same plane as other utilities.

**OPPONENTS
SAY:**

CSHB 2406 is not necessary and could prevent a private property owner from leasing land to a company. Currently if a company wants to put in a pipeline to transport waste fluid it can do so by negotiating land use with a property owner.

**OTHER
OPPONENTS
SAY:**

CSHB 2406 is not specific enough regarding safety requirements for a saltwater pipeline operator and does not clearly identify which agency should provide the extensive rules that saltwater pipelines would require. It is unclear which agency would be responsible for the cleanup in the incident of a spill, which one of the agencies could be required to perform and absorb the associated cost.