

SUBJECT: Creating a permit for the beneficial reuse of certain wastewater

COMMITTEE: Natural Resources — committee substitute recommended

VOTE: 8 ayes — T. King, Harris, Bowers, Kacal, Lucio, Paul, Price, Wilson

0 nays

3 absent — Larson, Ramos, Walle

WITNESSES: For — Alan Pyle; (*Registered, but did not testify:* Chris Hosek, BP; Caleb Troxclair, EOG Resources; Jason Modglin, Texas Alliance of Energy Producers; Billy Howe, Texas Farm Bureau; Ryan Paylor, Texas Independent Producers & Royalty Owners Association)

Against — None

On — (*Registered, but did not testify:* David Cooney and Jeremy Mazur, Railroad Commission)

BACKGROUND: Interested parties have suggested that greywater recyclers would benefit from having a permit separate from oil and gas operator permits to streamline the permitting process.

DIGEST: CSHB 4066 would require the Railroad Commission (RRC) to adopt a permit by rule for the beneficial recycling of treated domestic wastewater and mobile drinking water treatment system wastewater generated from oil and gas drilling sites.

"Domestic wastewater" would mean wastewater that originated primarily from kitchen, bathroom, and laundry sources, including waste from food preparation, dishwashing, garbage grinding, toilets, baths, showers, and sinks of a residential dwelling.

"Mobile drinking water treatment system wastewater" would mean wastewater generated from the treatment of surface or subsurface

groundwater for drinking purposes. The term would include reverse osmosis reject water.

In adopting a permit, RRC would have to require:

- that discharges of treated wastewater at oil and gas drilling sites were in compliance with the state's applicable water quality standards for reuse down-hole or applied to land;
- notification of the start date and exact location for each domestic wastewater or mobile drinking water treatment system unit;
- reporting requirements including the total number of days wastewater was reused or applied after treatment, the total volume of each type of wastewater, the total volume of treated effluent, and certain other items; and
- financial security assurances of up to \$200,000 per year for each active permit.

The bill would apply to an oil and gas drilling site regardless of whether the well had been completed.

RRC would have to adopt the permit by rule by December 1, 2021.

The bill would take effect September 1, 2021.

NOTES:

According to the Legislative Budget Board, the bill would have a negative impact of about \$3.1 million to general revenue through fiscal 2023.