

Energy Buzz

Texas House Speaker Focuses on Energy Issues

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Faced with the current collapse in oil and gas prices, Texas House Speaker Joe Straus, R-San Antonio, is working hard to come up with solutions to help the state overcome the financial challenges created by the downturn.

Straus recently gave the opening remarks at the Texas Independent Producers and Royalty Owners Association (TIPRO) Convention in San Antonio. He discussed how the Texas Legislature intends to look at several critical issues related to the battered energy sector once the legislative session begins in January.

Straus told the TIPRO convention attendees that sustaining energy development, workforce growth and stricter penalties for oil theft are among his legislative priorities.

According to the San Antonio lawmaker, the Texas Legislature will also examine the impact of federal regulations on the state's oil and natural gas industry, and try to figure out how Texas can profit from Mexico's energy reforms.

Ed Longanecker, TIPRO president, recently commented in an emailed statement about Straus' energy initiatives.

"Texas House Speaker, Joe Straus, plans to specifically promote the following during the 85th session: sustainable energy development, workforce development, broadening education initiatives and enhanced penalties for oil field theft," Longanecker said. "We look forward to learning more about these initiatives and working with the speaker's office as legislation on these items becomes available for TIPRO's review."

According to Longanecker, TIPRO supports efforts to enforce stricter statewide penalties for oil field theft. During the last legislative session, a bill was brought forth to address this issue but was ultimately vetoed by Governor Greg Abbott due to ambiguity in the language.

"In the Permian region alone oil field related theft averages \$400,000 to \$800,000 per month—a loss operators cannot afford to ignore, especially in light of current market conditions," Longanecker said.

Longanecker also discussed how his organization is following the actions of several Texas legislative committees.

"Prior to the start of the 85th session, TIPRO is monitoring interim charges from several legislative committees to include: studying the effects of low commodity prices, oil field theft, expanded uses of the Texas Emissions Reduction Plan, and reviewing the implementation of legislation passed last session," Longanecker said. "With ozone standards likely to be reduced over the next year, it's imperative to look at viable options to utilize TERP funds to continue to minimize emissions statewide."

In November, Straus assigned interim charges to Texas House committees, formally launching preparations for the legislative session that will begin in January.

"While these assignments cover a wide variety of issues, they focus on three core priorities: supporting private-sector growth, creating opportunity through education, and continuing to make government more transparent and accountable." Straus said in a written statement issued in November.

In particular, Straus assigned the following seven interim charges to the Texas House Committee on Energy Resources:

1. Study the impacts of the declining price of oil and the continuously depressed price of natural gas on the Texas economy and the fiscal implications for the Texas budget.
2. Examine whether current statutes are adequate for the successful prosecution of oil field theft.
3. Study current renewable energy regulations in Texas in order to more effectively balance federal, state and local regulations.
4. Study enforcement policies of the Railroad Commission of Texas.
5. Review how the Mexican energy transformation has bolstered or diminished the energy economy in Texas. Explore opportunities that would encourage binational exchange and commerce of oil, gas and oilfield materials.
6. Determine if sufficient safety standards exist to protect groundwater contamination from disposal and injection wells.
7. Conduct legislative oversight and monitoring of the agencies and programs under the committee's jurisdiction and the implementation of relevant legislation passed by the 84th Legislature, including reviewing seismic research needs for the University of Texas Bureau of Economic Geology and any response to research findings by the Railroad Commission of Texas.

In addition, back in November Straus formed the Texas House Committee on Federal Environmental Regulation to take a comprehensive look at how an array of rules from the Obama administration will affect Texas and its economy.

The committee will look at recently proposed or finalized rules from the U.S. Environmental Protection Agency, including the Clean Power Plan, the National Ambient Air Quality Standards, the "Waters of the United States" rules and new standards regulating methane emissions from the oil and natural gas sector.

"Many House Members are concerned about the damage that these proposals could cause to our economy and about an expansion of federal power into the authority of the states," Straus said. "The House needs to take a thorough look at how these rules will affect jobs, energy rates and future economic development in Texas."

Neither Straus nor Jason Embry, his communications director, were available for comment.

Moving forward, the House committees will hold hearings in the months ahead and report their findings shortly before the start of the 85th Legislature in January.

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