

BILL ANALYSIS

H.B. 2753
By: Reynolds
Environmental Regulation
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties note that many states have adopted measures to address the issue of air emissions that may escape from certain oil and gas equipment and suggest that Texas should consider its options in that regard. H.B. 2753 seeks to identify these options by providing for an analysis of inspection and maintenance requirements for certain oil and gas facilities.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 2753 amends the Health and Safety Code to set out provisions relating to an analysis of inspection and maintenance requirements for oil and gas facilities applicable only to a rule or requirement relating to a permit by rule or a standard permit for certain specified facilities and that is a rule or requirement of the Texas Commission on Environmental Quality (TCEQ) in effect on June 1, 2017, or that is a proposed or approved federal rule or requirement that may be implemented before December 31, 2018. The bill requires TCEQ to examine such rules and requirements governing inspection and maintenance programs for the detection and repair of leaks from all valves, pump seals, flanges, compressor seals, pressure relief valves, open-ended lines, tanks, and other process and operation components of a facility that could result in fugitive emissions; the use of venting and flaring; emissions of volatile organic compounds from storage tanks that have the potential to emit more than one ton of volatile organic compounds per year; emissions of nitrogen oxides from compressor engines with more than 100 horsepower; maintenance requirements and best practices for compressor stations; and emissions from and maintenance of pneumatic devices and controllers between a wellhead and a natural gas processing plant.

H.B. 2753 requires TCEQ to prepare a report that addresses issues raised concerning the rules or requirements and suggests options for improving safety, preventing air emissions from oil and gas equipment, and reducing emissions from the applicable facilities. The bill authorizes TCEQ, in suggesting options for improvement, to consider both regulatory and incentive approaches. The bill requires TCEQ, not later than January 1, 2018, to issue and make available for public comment a preliminary report. The bill authorizes TCEQ to hold meetings to consider public comment. The bill requires TCEQ after considering any such public comment, but not later than June 1, 2018, to post on its website the final report. The bill authorizes TCEQ to cooperate with the Railroad Commission of Texas in developing the report and obtaining public comment. The

bill expressly does not prevent TCEQ from adopting rules on the issues contained in the study. The bill's provisions expire August 31, 2019.

EFFECTIVE DATE

September 1, 2017.