



Energy News

MAY 2024



From the Field Photo

Pecos County Sunrise

Photo from Jimmy Hernandez



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Upcoming Events

RRC Open Meeting.....Tuesday, June 25, 2024

[VIEW OPEN MEETING WEBCASTS ▶](#)

TEXAS HYDROGEN PRODUCTION COUNCIL Update

The Texas Hydrogen Production Policy Council (Council) met in May to discuss updates related to hydrogen in Texas. As directed by House Bill 2847, the newly created Council, chaired by RRC Chairman Christi Craddick, is studying the development of hydrogen industries in Texas, including the development of facilities for the production, pipeline transportation, and storage of hydrogen.

Legislation directs the Council to develop a state plan for hydrogen production oversight by the Railroad Commission and make recommendations to the Legislature relating to any changes needed for that oversight. The Council will also be monitoring regional efforts for the development of the newly created gulf coast regional clean hydrogen hub, the HyVelocity Hub, which is expected to be implemented within the next 10 years.

Hydrogen has the potential to become a vital component in the expansion of the energy industry in Texas. It produces zero greenhouse gas emissions at its point of use, and is also suitable for power generation, trucking, and heat-intensive industries such as steel and chemicals. Texas is well poised to have significant hydrogen infrastructure because of its various important ports that can utilize or transport hydrogen fuel.

The Council will continue working on developing recommendations to the Legislature which will begin its next session in January 2025.



Texas Set to Challenge a Second Detrimental EPA Rule in 2024

Railroad Commission of Texas commissioners voted this month to refer a new Environmental Protection Agency (EPA) greenhouse gas emissions rule to the Office of the Attorney General to file a lawsuit to challenge the rule in federal court.

The EPA rule adds regulations to existing and future electricity power plants fueled by coal and natural gas to decrease carbon dioxide emissions. However, the rule imposes strict but untested standards in what will likely result in unreasonable infrastructure costs, which could force coal plants to shut down and reduce the ability of natural gas-fired power plants to operate at full capacity.

That can have the detrimental effect of reducing electricity supply in Texas.

The reliability of the electricity grid is of utmost importance in a state that continues to benefit from population and business growth, and a reliable grid is also needed to protect Texans during summer and winter weather fluctuations.

This is the second EPA rule that RRC commissioners have referred to the Attorney General to challenge this year. Two months ago, Texas challenged the EPA's Methane Rule.

"In yet another baseless attack on the oil and gas industry, the Biden administration has proven their willingness to jeopardize the health and safety of Texans in the name of their ill-planned agenda," said RRC Chairman Christi Craddick. "I appreciate the hard work of agency staff and look forward to the Attorney General's action against this rule to protect Texas."

(TCEQ) and the Railroad Commission of Texas
the EPA's proposed NSPS for GHG Emissions
Fuel-Fired EGUs; EG for GHG Emissions
the Affordable Clean Energy Rule. Detailed
any questions concerning TCEQ's and RRC's
in the Office of Air, at 512-239-2104

“President Biden is hellbent on making American’s energy more expensive and less reliable just to virtue signal to his radical environmentalist friends and his globalist allies,” said Commissioner Wayne Christian. “These rules are an EPA ultimatum to fossil fuel-based power producers: eliminate CO2 or we’ll eliminate you. If Biden’s successful with his ‘Unreliable Power Plan,’ it will only mean more taxpayer-subsidized wind and solar energy, less dispatchable power for U.S. energy grids, and potential blackouts across the country. I hope Attorney General Paxton is successful in overturning this horrible rule.”

“This rule is but another example of the Biden Administration’s concerted effort to limit energy production at the expense of the American consumers.”

said Commissioner Jim Wright. “This latest action by the EPA will not only make our electrical grid less reliable, but it will result in higher energy costs for American households. The only thing “green” about this rule will be the money flying out of middle-class pockets to pay their electricity bill if it isn’t overturned.”

The RRC and Texas Commission on Environmental Quality had filed comments opposing the rule when it was first drafted.

[READ THE JOINT COMMENTS](#)



Natural Gas-Fired Power Plants Set Winter Records

New numbers that the U.S. Energy Information Administration (EIA) released this month showed just how important a role natural gas played in Texas during Winter Storm Heather. That winter storm brought freezing temperatures to Texas in mid-January, and natural gas-fired power plants helped keep Texans safe during that cold snap.

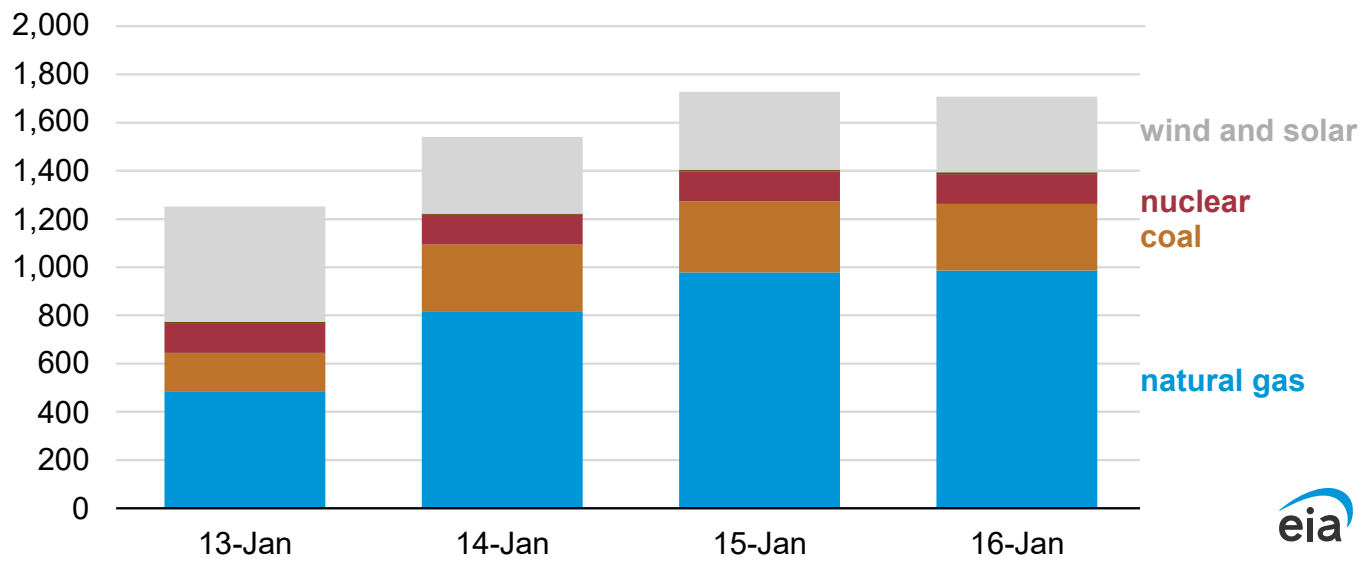
The EIA chart to the right shows how natural gas-fired electricity generation made up 56% of all generation in ERCOT during the cold snap from January 14–16. An even more impressive stat in the EIA report was this: Hourly natural gas-fired electricity generation increased to 49.4 gigawatts for the hour starting at 7 p.m. on January 16, which was 1% more than the previous winter record set in December 2022, and within 4% of the summer hourly high set in August 2023.

The RRC played a key role in ensuring the ample supply of natural gas for electricity generation. The Critical Infrastructure Division (CID) conducted thousands of inspections beginning in December 2023 and made certain critical natural gas facilities were weatherized to handle weather emergencies and keep gas flowing. CID conducted more than 5,600 weatherization inspections at facilities including gas processing plants, underground gas storage facilities, pipelines that directly connect to electricity generation plants, and oil and gas leases.

CID inspectors will soon begin weatherization inspections for the summer heat cycle, which is another season when electricity demand spikes in Texas!

ERCOT daily generation by source (Jan 13–16, 2024)

gigawatt-hours



CID Winter 2023-24 Inspections



Chairman Craddick

COMMISSIONERS' CORNER



In May, Chairman Christi Craddick convened a meeting of the Texas Hydrogen Council to discuss further developments in the proposed regulatory framework for this important industry. In meetings with operators across the state, hydrogen is constantly discussed as a critical new sector of the energy industry. Ensuring that the regulatory framework at the Railroad Commission of Texas is reasonable and responsible is crucial. Appointed members include industry representatives, stakeholders, and environmental leaders. The group will meet several more times to create a report that will ultimately be provided to the legislature by the end of this year. Chairman Craddick's priority will be developing rules and regulations that strike a balance between safe oversight and innovative opportunity for this budding industry.



Commissioner Christian

COMMISSIONERS' CORNER



In May, Commissioner Wayne Christian put out a release condemning the Biden Administration's decision to list the Dune Sagebrush Lizard as 'protected' under the Endangered Species Act.

"This doesn't have a thing to do with 'saving lizards'; it's about shutting down U.S. oil and gas production to win political brownie points, which will only increase inflation and jeopardize billions of lives globally," said Commissioner Wayne Christian. "It doesn't matter if it's a lizard, a chicken, a whale, or a unicorn, radical environmentalists won't be satisfied until we all get our energy from firewood and are living in a cave again. To them, this is about ending fossil fuels to 'better humanity', which is ironic given they allow mankind to flourish by powering 80% of the globe's energy, manufacturing 96% of consumer products, and helping to feed more than half the planet. Right now, the world needs more energy and more Texas oil and gas, and all this does is drive up prices and make it harder on consumers."

"Texas will certainly fight this most recent ESA weaponization, which aims to shut down half the nation's crude oil production and one-third of its natural gas production," continued Christian. "Texans can rest assured



that the RRC and other state agencies won't lift a finger to help with this nonsense, because the Texas Energy Independence Act prohibits state agencies from facilitating any effort that would undermine Texas oil and gas production.”

Christian previously sent a [letter to USFWS opposing the ESA designation](#).

Additionally, Commissioner Christian released his latest podcast episode with Congressman August Pfluger of the Permian Basin. [You can listen here](#).

Lasty, the Commissioner visited with oil and gas producers in Amarillo to talk about the great work the Railroad Commission is doing across the state.





Commissioner Wright

COMMISSIONERS' CORNER

In May, Commissioner Wright testified before the Senate Water, Agriculture, & Rural Affairs Committee's hearing on state water supply resources, where he discussed the Railroad Commission's framework for produced water recycling pilot projects.

"The Railroad Commission's framework provides operators with a regulatory pathway to assess the effectiveness and the suitability of applying treated produced water for beneficial purposes and is an important first step to achieving the Commission's long-term goal of establishing standards for large scale treatment of produced water," said Wright. "Beneficial reuse is a multi-discipline challenge, but one which I believe our state is more than capable of safely and successfully navigating to unlock a significant source of water for industrial, agricultural, and ultimately human needs."



Oil & Gas Production Statistics

View monthly production totals of crude oil, condensate and total oil; and of gas well gas, casinghead gas, and total natural gas.

[VIEW CURRENT PRODUCTION STATISTICS ▶](#)

Enforcement Actions

The Commission has primary oversight and enforcement of the state's oil and gas industry and intrastate pipeline safety. View RRC's Latest Enforcement Actions here.

[VIEW LATEST ENFORCEMENT ACTIONS ▶](#)

Public GIS Viewer

The Public GIS Viewer allows users to view oil, gas and pipeline data in a map view.

[LAUNCH THE PUBLIC GIS VIEWER ▶](#)