



SIERRA CLUB

LONE STAR CHAPTER

The Honorable Drew Darby, Chair
The Honorable Eddie Morales Jr, Vice-Chair
Members, House Committee on Energy Resources

The Lone Star Chapter of the Sierra Club is pleased to offer very brief comments on issues related to the April 21st hearing. We wanted to offer a perspective on the present administration and decisions that will impact Texas' energy production and public health, as well as some issues related to hydrogen production.

First, we wanted to highlight a number of decisions made by the present federal administration that we believe have undermined public health, environmental protection and undermined cleaner energy development in the name of national defense and bolstering fossil fuels. While one could argue this is beneficial to Texas, since we are the major producer of oil and gas, and a major user of coal, we believe these decisions are shortsighted and not in Texas's ultimate interest. Second, we had a few thoughts on hydrogen production and wanted to share a resources.

Administrative decisions

Environmental Rollbacks

This administration has proposed, undermined or rolled back a whole series of environmental rules and regulations involving the oil and gas and coal industry. They involve a myriad of rules but include proposals to lower requirements on cleanup of coal ash, roll back wastewater requirements on coal plants, and approve rules related to haze pollution. In terms of oil and gas, reporting requirements around methane, methane controls and a methane fee on pollution have all been impacted.

Decision to consider ending required greenhouse gas reporting

The US has required major industries to report on their annual greenhouse gas emissions through EPA requirements, but the Trump administration in its unprecedented attack on the science of climate change is considering ending this requirement for most industries, and delaying reporting of methane gas emissions for several years. This is not in anyone's interest. Accurate reporting of the gases that are causing our climate crisis are needed to plan for how to reduce those emissions, including from the oil and gas industry. The gas reporting is also needed for compliance with European import requirements on LNG and is important for calculating tax incentives for carbon capture.

Decision to delay and reconsider parts of methane regulations

The Biden administration put in place strict methane emissions reduction and reporting requirements under the Federal Clean Air Act, but the Trump administration has delayed key aspects of the rule, including a required state implementation plan by 18 months. Texas should be a leader on reducing wasting methane gas, and the decisions simply wastes a useful product and increases emissions of methane and related gases.

Decision to end tax incentives for clean energy and several important programs designed to lower bills

The Big Beautiful Bill ended or phased out many of the clean energy tax incentives, including for EVs and residential solar, both of which directly benefited consumers. In addition, the Trump administration rolled back funding for important programs like public EV charging stations and the popular Solar for All program. Some other important programs, however, remain.

God Committee

For the first time in decades, the Trump Administration appointed a so-called "God" committee, which announced that drilling in the Gulf would no longer be subject to the Endangered Species Act. This is a dangerous precedent to say in the name of lowering prices and boosting production, a major and sophisticated industry can ignore mitigation measure to protect species like the Rice Whale, sea turtles and many other species. Texas and Louisiana have drilled in the Gulf for decades and loosening standards designed to protect our Gulf environment and ultimately the health of our communities is not needed and is shortsighted.

Cancellation of Offshore Wind

The Trump administration has attempted to cancel all of the offshore wind projects approved by the Bureau of Ocean Management during the Biden Administration. Many companies have successfully gone to court and some projects are proceeding but many were cancelled including an announced lease off the coast of Texas and Louisiana, which is unfortunate. In addition, recently, the DOI announced a “Settlement” with TotalEnergy, a French Company, to cancel two projects, return some \$900 million in leasing fees - without congressional approval - in return for certain investments to be made by TotalEnergy, including in Texas Rio Grande LNG plant, where they are planning to add a train. Unfortunately, exporting LNG does not reduce gas prices, it increases them, and canceling wind projects in the long term will hurt reliability.

Announcement to bolster other sectors for national defense

Recently, President Trump signed an order to bolster funding - including loans and loan guarantees - for a number of sectors as a reaction to the war and rising prices, including transmission, LNG, oil and gas and coal. While the details are unclear, this could provide some federal funding for these sectors. Like many, we are waiting to see the details of how this might impact industries in Texas.

Hydrogen Production

The Sierra Club was a supporter of both the Bipartisan Infrastructure Act and the Inflation Reduction Act under the Biden Administration. Those bills did include some important tax incentives and direct funding for hydrogen production. Hydrogen is complicated - it offers both promise and real peril. Done correctly, it can offer benefits in terms of pollution reduction and lowering of the gases that cause climate change, but it can also actually increase pollution and present hazards. Much of it depends on whether we develop hydrogen in the traditional steam methane manner, or explore cleaner ways of making hydrogen, including utilizing water and green energy or if utilizing gas to make hydrogen, include carbon capture. However, if blue hydrogen is utilized, then Sierra Club insists that Federally funded blue hydrogen projects must:

- Account for upstream methane leakage
- Capture at least 90% of carbon - including parasitic load
- Account for downstream hydrogen leakage
- Permanently sequester CO₂ With a leakage rate of no more than 1% per 1000 years

Texas was one of the states that did receive a “Hydrogen Hub” award, and despite some hydrogen hubs being cancelled the Texas project is still moving forward. The HyVelocity Hub, a Gulf Coast Texas hydrogen project, is set to receive up to \$1.2 billion

in federal funding, potentially creating 45,000 jobs (35,000 construction, 10,000 permanent). While we believe some of the projects within the HyVelocity Hub that will receive funding could be valuable, we remain concerned about the potential impacts on frontline communities and the lack of regulations. In 2025, the Sierra Club participated in a project to examine the pros and cons of the hydrogen hub with the Climate Jobs Project. A copy of the resulting project publication - Truth and Transparency In Texas Hydrogen Production - can be found here - <https://www.txclimatejobs.org/reports>

In Texas, the Railroad Commission is charged with developing the rules and regulations for many aspects of hydrogen production and pipelines that carry hydrogen, but we are still waiting for specific federal regulations and state regulations on aspects like pipeline construction and operations standards. Hydrogen is extremely volatile and flammable and simply using existing oil and gas pipeline infrastructure and standards is not safe. We call on the legislature and the Texas Railroad Commission to come up with good standards and rulemaking so that Texas can develop hydrogen safely.

The Sierra Club has the hope that clean hydrogen can help decarbonize heavy industries, and create thousands of safe, union jobs, but Texas currently lacks specific regulations related to hydrogen pipeline, storage and production. We also still must fully develop safe rules on CCS that could be connected to hydrogen production, but experience with agencies like the Railroad Commission and the Texas Commission on Environmental Quality which are often more intent on handing out permits and approvals than enforcing the law. The legislature can play a key role in helping to develop these rules to ensure safe hydrogen production and carbon capture, including enforcement provisions.