The Honorable John Zerwas, Chair, Committee on Appropriations  
The Honorable Toni Rose, Chair, Subcommittee on Article VI, VII and VIII  
Re: RRC Proposed Budget for 2020-21  

February 12th, 2019

Comments of the Sierra Club, Lone Star Chapter on the Railroad Commission of Texas HB 1 Budget

The Lone Star Chapter of the Sierra Club appreciates the opportunity to comment on the proposed 20-21 budget for the Railroad Commission of Texas. We are in general in support of the RRC’s base budget, and also support the exceptional item made by the RRC to have the authority to hire more inspectors for pipelines and for oil and gas facilities.

We would note that as part of HB 1, RRC relies on continuing to use some amount of the “Rainy Day” Fund in order to continue to plug orphan wells. HB 1 appears to provide $40 million. We believe the legislature should continue to assess how best to pay for orphan well plugging and if there are sufficient revenues and reserves in the GR-dedicated fees, or where appropriate, by seeking funding from the operators who abandon wells through legal means, that all $40 million may not be needed from the Rainy Day fund.

Getting Inspections Routinely Done… Routinely

We have long advocated for sufficient inspectors both for pipelines and oil and gas facilities. While the RRC has set a goal of getting all inland oil and gas wells inspected at least once every five years, we believe this is still insufficient to assure public safety and health. Thus, we will continue to advocate for more frequent inspections, and more aggressive goals, such as covering 25 percent (as opposed to the goal of 20%) of all wells every year through inspections. To achieve more frequent inspections would require that RRC consider hiring more inspectors than the 22 they are suggesting, which will be divided between pipelines (10 FTEs) and oil and gas compliance inspectors (12 FTEs). Thus, we would suggest a higher number of inspectors so that ALL wells were inspected at least once every five years and that most were inspected at least every four. Based on our analysis, another 10 oil and gas FTEs would be needed to reach a 25% per year goal. That being said, we are in support of both the exceptional item request and the additional monies for transformation.
Public Information: Key to the RRC's transformation

The RRC has been rightly criticized for the difficulty for the public -- and at times the regulated community -- from having access to timely and accessible information. Thus, we are also supportive of the increased budget for Goal D.1.1 (Public Information and Service). Last session, the Legislature granted the agency approximately $3 million for upgrades to make its ICE (Inspection Complaints and Enforcement) data more accessible through the Inspection/Enforcement Tracking and Reporting system, and we do support continued funding of Phase 2 of the project, as well as UB authority, as outlined in previous riders. We are also supportive of the capital budget request of $3,000,000 over the biennium for the inspection/enforcement tracking and reporting system. Today, it is still very difficult to obtain basic enforcement and inspection data, as well as what happens to individual complaints made to the agency.

We are very pleased to see the agency finally release a public and searchable inspections and violation database. We see this as a long overdue step, but recognize the hard work and appreciate the funds provided by this body to make it happen. Still, additional transparency is needed to also allow the public to have better access to information on enforcement.

Along those lines, given the Legislature’s continued funding of technology upgrades, we are very concerned about the proposed removal of Rider 11, which required basic enforcement information to be online. While it is our understanding that RRC is proposing to put this information in its yearly enforcement strategy report --as required by HB 1818 - we believe a rider is still needed about public transparency of enforcement data. We would like to work with stakeholders and the agency to put some requirements in a new rider, including information related to the Inspection/Enforcement Tracking and Reporting system, and annual enforcement numbers. We will be suggesting some language to replace Rider 11 as we go through the legislative process.

The Lone Star Chapter appreciates the opportunity to comment on the RRC’s base budget and exceptional item requests for more inspectors.

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