



Monday July 31, 2023
VIA EMAIL

Railroad Commission of Texas
Ms. Leslie Savage
1701 N. Congress
Austin, TX 78701

RE: Proposed amendments to 16 TAC §5.102, §5.201, §§5.203 - 5.207

Dear Ms. Savage:

Thank you for the opportunity to comment on the Commission's proposed amendments to 16 TAC §5.102, §5.201, §§5.203 - 5.207 and Pre-Application for Class VI Primacy from EPA, addressing statutory authority on the regulation of injection and geological sequestration and storage of anthropogenic carbon dioxide in Texas.

The Reliable Energy Alliance (REA) supports the proposed amendment designating the Railroad Commission of Texas (RRC) as the sole authority in the state over onshore and offshore injection and geologic storage of anthropogenic CO₂. REA also supports the RRC application for primacy from the Environmental Protection Agency (EPA) for administration of the Class VI injection well program.

Streamlining the regulation of Class VI injection in Texas to one state agency, rather than two, will encourage and expedite the use of Carbon Capture, Utilization, and Storage (CCUS) in the state. As the RRC has noted, interest in carbon capture and storage has increased in recent years. Texas can make steps toward creating a thriving CCUS industry with a regulatory framework in place.



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REA's position is that Texas must support the CCUS industry to protect its oil and gas industries that employ hundreds of thousands of Texans. Our nation depends upon Texas' fossil fuels production, and Texas needs to be ready to meet future demand. Texas can meet the growing energy in demand from its oil and gas production, and CCUS can be an optional component of that when producers desire to decarbonize any process where carbon is a byproduct. Those who capture CO₂ may also be able to economize it later to sell the carbon, which could create additional revenue streams for Texas producers and manufacturers. Texas companies can also leverage carbon capture to manufacture products with lower carbon emissions and that may be preferable to consumers and countries that current import goods from Texas. Some banks and lenders are also interested in the carbon emissions that borrowers or potential borrows emit or capture in their projects. This is becoming a determinative data point in lending for infrastructure project. Streamlined permitting in Texas could allow an optional choice to include CO₂ capture to help sure credit and borrowed funds.

REA will conduct public education programs to educate Texas land and mineral rights owners that, once the RRC has primacy from the Environmental Protection Agency (EPA) for administration of the Class VI injection well program, these land and mineral rights owners can sell geologic CO₂ storage on their lands. Selling or licensing geologic CO₂ storage will provide an additional revenue stream for Texas farmers and ranchers, whether their land holding is modest or large.

As global energy demand continues to grow, supporting and growing the CCUS industry in Texas will be vital to ensure the state's fossil fuel industry meets increasing energy demand while having options to control CO₂ emissions through capture. Future power for our daily lives must be reliable and plentiful. REA recognizes that many energy producers in Texas will use fossil fuels and will also want to reduce their carbon emissions to provide reliable and affordable power for Texans and to export their fossil fuels domestically and globally for power



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generation and industrial processes. Texas oil and gas also will play a role in future energy development, such as hydrogen, and a stable CCUS industry will support blue hydrogen production by capturing CO₂ emissions in the production process. REA supports hydrogen development in Texas.

As stated in the proposed rules: “Achieving meaningful reductions in CO₂ emissions while preserving the benefits of our energy-intensive economy cannot be accomplished without significant deployment of carbon sequestration.” For the CCUS industry to be successful in Texas, there must be the regulatory, legal and economic framework built in the state to support it. REA supports the proposed rules and application for primacy from the EPA, as these are integral steps towards those goals while preserving affordable, reliable energy and maintaining a strong economy. We welcome the opportunity to discuss these comments further if needed. Thank you for your consideration and support of the burgeoning CCUS industry in Texas.

Sincerely,
Corby Robertson, Jr.
Susan Combs
Reliable Energy Alliance