



**Texas  
Independent  
Producers and  
Royalty Owners  
Association**

## **A NEW PRESIDENT AND NEW ADMINISTRATION TAKE CONTROL OF THE U.S. EXECUTIVE BRANCH**

America's 46<sup>th</sup> president of the United States, Joe Biden, was sworn into office on Wednesday, January 20, 2021, becoming the nation's new commander-in-chief and marking the beginning of a pending shift expected to transpire over priorities for the federal government that relate to the domestic development

of oil and natural gas resources and production of fossil fuels. The new president has made it known that he expects to work diligently as America's leader to combat climate change, and will place great focus on promoting clean energy projects and initiatives, a starkly different approach than that of his predecessor who largely pushed an agenda aimed at securing America's energy dominance through an 'America-First' Energy Plan which heavily relied on unleashing America's oil and natural gas potential.

On his first day serving in the Oval Office, President Biden fulfilled his pledge to have America rejoin the Paris Climate Accord, an international treaty adopted by partners around the world with a common goal of reducing greenhouse gas emissions to mitigate effects of climate change. Reversing executive action implemented by now-former U.S. President Donald Trump, who pulled the United States from the environmental agreement during his term, President Biden signed his own executive order almost immediately upon taking office to have the nation send notification to the United Nations expressing an intent to reenter the Paris Accord within 30 days.

Additionally, the president on Wednesday signed more than a dozen other executive actions aiming to dismantle policies promulgated by Donald Trump, including revised directions on the federal regulatory process applicable at the outset of the new administration. An immediate regulatory freeze has been instituted to ensure President Biden's appointees or designees have an opportunity to review any new or pending rules that were otherwise in the works, with specific intent to assess and potentially reinstate a plethora of environmental regulations, for instance, that were weakened over the last four years under the Trump Administration.

In a widely anticipated move, the new president also has revoked the presidential permit for the Keystone XL oil pipeline, an \$8 billion infrastructure project under construction to transport up to 830,000 barrels of crude per day from the Alberta oil sands to U.S. refineries located along the Gulf Coast. President Biden's decision to revoke the Keystone XL pipeline has caused many in the downstream sector to be concerned over ramifications for other pipeline projects designed to move oil and natural gas.

Also on his first day, the president named public servants which will serve in acting capacities across the administration until permanent leadership can be confirmed by the U.S. Senate. This list includes Jane Nishida as acting head of the U.S. Environmental Protection Agency, Scott de la Vega who will manage the Department of Interior and David Huizenga who will be in charge of the Department of Energy. President Biden has also promoted Richard Glick, democratic commissioner of the Federal Energy Regulatory Commission (FERC), to become the agency's new chairman. In alignment with President Biden's policy agenda, Glick is expected to drive progress at FERC for clean and renewable energy and may champion other measures heavily weighing carbon emissions or environmental justice whenever the commission needs to review and approve pipelines or infrastructure projects.

## **WHILE THE COVID-19 PANDEMIC RAGES ON, TEXAS LEGISLATORS BEGIN THE 2021 LEGISLATIVE SESSION**



With a heavy set of challenges and wide-range of issues to tackle, state lawmakers convened in Austin on Tuesday, January 12<sup>th</sup> for the start of Texas' 87<sup>th</sup> Regular Legislative Session.

On the opening day of session, Texas Governor Greg Abbott urged lawmakers in both the Texas House and Senate chambers to work in collaboration to tackle the issues that matter most to Texans across the state. "Over the next 140 days, we have the opportunity to not only respond to the challenges we face, but we also have an opportunity to put Texas on a trajectory to a future of even greater hope and opportunity," said Governor Abbott. "Now more than ever, Texans need the legislature to succeed this session. But equally important, America needs Texas to lead the way. If we do this, then we will chart a course towards a healthier, safer, freer, and more prosperous future for every Texan."

*Story continued on Page 3...*

## CHAIRMAN'S MESSAGE

Fellow TIPRO Members,

2021 has finally arrived, and we continue to find ourselves in interesting times. A new administration has now taken the helm of our federal government, ushering in a tidal wave of likely policy changes for the energy industry and other important business sectors for our nation. Unlike many of the pro-energy regulations we saw implemented by the Trump Administration in recent years, the new president and his party have made it clear that combating the climate crisis and pursuing environmental justice will become top priorities for the executive branch these next four years, as evidenced by the Democratic Party's Platform that promotes goals including:

- Rejoining the Paris Climate Agreement.
- Eliminating carbon pollution from power plants by the year 2035.
- Building and installing 500,000,000 solar panels and 60,000 wind turbines within five years. (Just an FYI on the 60,000 number, if wind energy were to be increased by 2035 to cover the same percentage of the renewable energy as it does now (74 percent) then the number needed to replace fossil fuels would be in the 400,000 range. Not including the additional electricity needed to support the proposals for an electrified transportation sector and removal of fossil fuels from the heating/cooking mix) (based on 2019 statistics from the U.S. Energy Information Administration).
- Lowering families' energy bills with energy saving upgrades to 2 million homes.
- Net-zero greenhouse gas emissions from all new buildings by 2030 – 100 percent clean building sector.
- 500,000 public charging stations.

The list goes on and on, but this in a nutshell covers the heart of the party's energy platform.

Meanwhile, drivers of our industry can appreciate the realities of what it really takes to meet global energy demands, reminding me of the following points:

- Saudi Arabia has reduced their production by one million barrels a day which has had the impact of moving oil prices above the \$50 mark. Slowly the inventory overhang will be reduced, and overall market conditions should stabilize in 2021.
- Record cold weather in Asia and Europe has LNG supplies in demand with prices spiking to over \$28.20 per thousand BTU in Asia. Forecasters believe that LNG exports from the U.S. will remain in the 10-11 BCFGD range through the summer, which should have upward pressure on domestic natural gas prices especially if we go into next winter with less than 2.6 Tcf of storage.
- A report by IEF (International Energy Forum) and BCG (Boston Consulting Group) suggest that at least a 25 percent annual increase in spending is needed to meet future energy demand.
- Rystad Energy analysts also project that by 2050 the world will need an additional 139 billion barrels of commercially viable liquids to avoid an energy crisis.

The question everyone should be asking is how can we bridge the gap and somehow accomplish the objectives of this new administration while recognizing the true realities of energy consumption. The bottom line is that we still have millions of people worldwide without access to electricity and clean cooking fuels, the latter of which is responsible for nearly 4 million premature deaths per year and those individuals need a clean reliable and scalable energy source.

The Democratic platform recognizes that climate change can pose serious threats to the economy and financial system. It will be TIPRO's job to see that the cure is not worse than the disease. Thank you again for your continued support especially in what may be a very active legislative session and regulatory season.

As a side note: Based on 2017 EIA numbers (latest available), the natural gas electric generation sector employed 362,118 people and produced, refined and ultimately generated 1,296,000,000 MW hours of electricity or 3,578.9 MW hours per person. The solar sector employed 373,807 people and generated 77,276,000 MW hours or 206.7 MW hours per person. I can see where wind energy will create a large number of jobs but I find it unrealistic to assume that if you need 17 times the manpower to generate the same amount of electricity somehow it will be cheaper. Energy density matters.

Kind regards,  
Brent Hopkins



**Brent Hopkins**

### TIPRO Calendar of Events

**JANUARY 27, 2021**

VIRTUAL EVENT — Hart Energy's Executive Oil Conference.  
For information, please call (713) 260-6400.

**JANUARY 28, 2021**

VIRTUAL EVENT — TIPRO-Enverus Oil & Gas Outlook.  
For information, please email [rpaylor@tipro.org](mailto:rpaylor@tipro.org).

**FEBRUARY 8, 2021**

CONFERENCE CALL — TIPRO State Issues Committee Meeting.  
For information, please email [rpaylor@tipro.org](mailto:rpaylor@tipro.org).

## DADE PHELAN CONFIRMED AS THE NEW SPEAKER OF THE TEXAS HOUSE OF REPRESENTATIVES

At the onset of the new legislative session, one of the first acts of business by members in the Texas House of Representatives was to formally affirm a new leader of the legislature's lower chamber. The House on Tuesday, January 12<sup>th</sup> voted 143-2 to confirm state Representative Dade Phelan (R-Beaumont) for the role as 76<sup>th</sup> speaker of the Texas House. Currently serving his fourth term as state representative for House District 21, the 45-year old Beaumont native becomes the first Southeast Texan and Golden Triangle politician to fill the House speaker seat in nearly half a century. Prior to serving as speaker, he was chair of the House Committee on State Affairs, vice-chair of the Natural Resources Committee, a member of the Calendars, Appropriations, and Elections Committees and also served on the Select Committee on Ports, Innovation and Infrastructure.



Since the November election, Representative Phelan was presumed to take over as speaker, having secured the backing and bipartisan support from the large majority of elected officials in the House. Ahead of the 2021 Legislative Session, Texas Governor Greg Abbott issued a statement to congratulate Representative Phelan on gaining the necessary votes to become the next speaker of the Texas House, hailing the lawmaker for his work in the legislature. "A strong conservative, Dade has a proven record of fighting for the lives and livelihoods of all Texans, having played a key role in authoring and passing critical legislation to bolster disaster relief and preparedness following the devastation of Hurricane Harvey. I look forward to working with him and all members of the House on common-sense, conservative legislation to create an even brighter future for the people of Texas."

Phelan's counterpart in the Senate, Lieutenant Governor Dan Patrick, also publicly congratulated Phelan on his election as speaker of the Texas House of Representatives last Tuesday. "Dade is an accomplished leader who will be ready on day one to take on the tough challenges we are facing this legislative session. I know our collaboration will lead to bold, positive public policy for the people of Texas and the future of our state. I look forward to working with him," said the lieutenant governor in a statement.

In a mid-January interview with his hometown news station from Beaumont, KFDM/Fox 4, Speaker Phelan said the coronavirus (COVID-19) pandemic would undoubtedly dominate this year's legislative session. He noted that his top goal as speaker will be getting the economy back on track, though he also cited public education and regulatory reform for businesses as other leading concerns which he hopes the legislature will tackle this year.

In his first address as speaker to fellow members of the House, Phelan last week strongly encouraged unity amongst lawmakers by telling his colleagues that they were most likely to prevail if they ignore "external parties seeking to divide us for their selfish purposes" and instead "embody the grit and resolve of constituents."

"We must all do our part — not as Republicans or Democrats, but as Texans and Americans," he added. "Let us unite in one common purpose to do what is right for the people of Texas."

## SENATOR BRIAN BIRDWELL NAMED AS SENATE PRESIDENT PRO TEMPORE FOR 2021 LEGISLATIVE SESSION

Texas state Senator Brian Birdwell (R-Granbury) has been elected Senate president pro tempore for the state's 87<sup>th</sup> Regular Legislative Session. In the position, Senator Birdwell fills a constitutional office reserved for senior Senate leaders that will put him third in line of succession to the governor of Texas. As president pro tempore of the Senate, Birdwell will also serve as acting governor whenever Governor Greg Abbott and Lieutenant Governor Dan Patrick are out of the state at the same time.

Senator Birdwell has served in the state legislature for over 10 years, is a decorated military veteran and lifelong conservative Republican proudly representing Texas Senate District 22. He is chairman of the Senate Committee on Natural Resources and Economic Development, which provides legislative oversight to the Railroad Commission, the Texas Commission on Environmental Quality (TCEQ), and the Workforce Commission. Senator Birdwell also serves as a member of the Senate Committees on Finance and State Affairs.

Upon being sworn in as president pro tempore on opening day of session last Tuesday, January 12, Birdwell offered heartfelt remarks to express his gratitude in being asked to fill the honorable leadership role. Making a play off of famous words from General MacArthur, Birdwell remarked, "Duty, Senate, Texas . . . my commitment is to my duty, my fellow senators that have chosen me, and to the citizens of Texas that I will serve."

## TEXAS' 2021 LEGISLATIVE SESSION BEGINS... CONTINUED FROM PAGE 1

On the first day of the 2021 legislative session, Texas Lieutenant Governor Dan Patrick, who manages the legislature's upper chamber, offered assurances regarding his hope to provide the public with open access to the legislative process despite the ongoing COVID-19 pandemic. "We want our capitol open this session," he emphasized. "We want the public to be here, to be able to testify, and have your voice heard in committees, to visit your representatives...We're going to be open to the best of our ability this session."

Upon other ceremonial business and taking an official vote on procedural rules for the legislative chambers, including COVID-19 protocols, the Senate and House of the 87<sup>th</sup> Legislature stand adjourned until Tuesday, January 26, 2021, when legislative business will resume.

On behalf of the association's membership, TIPRO's advocacy team is currently tracking 70 oil and gas-related bills, with 1,610 total bills filed in the legislature as of January 20.

## NEW COVID-19 PROTOCOLS PUT IN PLACE FOR TEXAS HOUSE AND SENATE

Members of the Texas Senate signed off on new coronavirus (COVID-19) protocols during the first week of the 87<sup>th</sup> Legislative Session, as part of an effort to mitigate possible risk of a virus outbreak at the state capitol. While the state's capital city faces record numbers of COVID-19 cases and hospital capacity in Austin approaches limits, state officials in the Senate agreed at the onset of session to implement extra health precautions and requirements so as to provide a safe environment for legislative operations and ensure the health and safety of legislators, staff and the general public.



*Though the state capitol building in Austin has opened back up to the public, TIPRO members should be sure to check on protocols and other requirements before planning your next visit.*

As part of rules adopted mid-January by the Senate, anyone wishing to enter the Senate chamber, gallery or attend a committee meeting - including members - will first have to test negative for COVID-19. Any person testing positive for the virus will not be allowed back onto the capitol complex for 10 days. Members of the public should be advised that the state is offering free COVID-19 testing outside the capitol building on the north plaza at no expense. Those who test negative will be given a wristband, allowing them to enter the Senate gallery or attend committee hearings. Wristbands will also be provided to anyone showing proof of vaccination. Individual members can decide whether to require a wristband to enter their capitol office.

While a mask worn over the mouth and nose is required at all times when inside the capitol building, senators and legislative staff are also being required to wear masks on the floor or in committee, though senators will not be required to wear a face covering if seated alone at their desk. Senators will be limited to a single staff member on the floor at any time unless an exception is granted by the chair of the Administration Committee.

Referencing the opening day of the legislative session, when similar COVID-19 protocols were practiced by the full state legislature, Texas Lieutenant Governor Dan Patrick said the day's events all "proceeded smoothly." According to the lieutenant governor, over 800 people were tested for COVID-19 at the capitol building that day, and only one individual objected. "The people know, if we want to have session, if we want to protect lives and life, if we want to conduct the peoples' business with the least restrictions, then testing is the answer," he affirmed.

The new set of COVID-19 protocols are expected to be followed in the Senate for at least the first 60 days of the legislative session, or until early March, after which time the Senate body could consider modifications to COVID-19 rules.

The Texas House, meanwhile, also adopted its own set of rules and protocols for conducting legislative affairs in the midst of the COVID-19 pandemic. One day after the Senate, members of the House decided on COVID-19 requirements and health protocols for the lower chamber, which will include mask requirements for members, staff and the public while inside the House chamber or a committee hearing room (though witnesses and lawmakers may remove their mask while speaking from a microphone). Members also are permitted to remove masks during a committee hearing if protected by a barrier and socially distanced from others.

Unlike the more extensive measures adopted in the Senate, representatives will not be required to take a COVID-19 test before they enter the House chamber. State Representative Todd Hunter (R-Corpus Christi), who led the rules proposal for the House of Representatives, defended the decision not to mandate testing, saying that it wouldn't be right for officials to "prioritize our own health and safety above others," referencing how testing for the virus is not yet widespread in public schools, courthouses or other important spaces in the public realm.

Otherwise, new rules will authorize state representatives to cast votes on legislation from outside the House floor, supporting distancing amongst lawmakers. This includes voting on bills "from a secure portable device" if legislators are inside the chamber, in the gallery or "in an adjacent room or hallway on the same level as the House floor or gallery," such as the speaker's committee room or member lounge. Access to virtual testimony will also remain restricted during committee hearings, and only those invited by a committee chair will have the ability to give input during public hearings.

In spite of the extra measures being followed to prevent the spread of COVID-19 amongst lawmakers, the early days of session already delivered a COVID scare after at least one member tested positive in mid-January for the virus. Last week, state Representative Joe Deshotel (D-Beaumont) told the *Texas Tribune* he tested positive on January 14, after spending three days on the House floor.

## TEXAS SENATORS APPROVE RULE CHANGE LOWERING TO THRESHOLD TO CONSIDER A BILL

Members of the Texas Senate voted along party lines on Wednesday, January 13<sup>th</sup> to change rules concerning the threshold of support necessary to bring legislation to the Senate floor. In a 18-13 vote, state legislators passed a resolution introduced by state Senator Bryan Hughes (R-Mineola) that puts the threshold for consideration of a bill at 18 votes. Before, in past legislative sessions, at least two-thirds supermajority, or 19 votes, were required in order to bring legislation up for discussion before the full Senate body.

The procedural change was driven largely by political motivation from Senate Republicans so as to ensure the GOP party would be able to continue to dictate the legislature's agenda and control which bills are brought up for consideration without relying on input from the minority party. The defeat of former Senator Pete Flores (R-Pleasanton) in the 2020 election reduced the number of Republicans serving in the Senate, leading conservative lawmakers to push for a change in the threshold. Democratic officials in the Senate meanwhile have argued that the recent rule change will hand Republicans unfair control of the upper chamber and block the Democratic Party from having ample opportunities to set bills for consideration during the legislative session.

## SENATE COMMITTEE ASSIGNMENTS ANNOUNCED

On Friday, January 15, just four days into the new legislative cycle, Texas Lieutenant Governor Dan Patrick unveiled committee appointments for members of the Texas Senate. “The Texas Senate is comprised of proven leaders with the expertise and experience that makes them more than prepared to take on the difficult challenges we face in this new legislative session. The committee appointments I am making today call on all senators – Republicans and Democrats, freshmen and senior members – to play an integral role in crafting public policy that will ensure our state remains strong and every Texan can prosper,” said Lieutenant Governor Patrick, who is in charge of leading the Senate body.

Of interest to the members of TIPRO and the energy industry, the following lawmakers will serve on the Senate Committee on Natural Resources & Economic Development:

- Senator Brian Birdwell, Chair
- Senator Judith Zaffirini, Vice Chair
- Senator Carol Alvarado
- Senator Kelly Hancock
- Senator Juan "Chuy" Hinojosa
- Senator Lois W. Kolkhorst
- Senator Bryan Hughes
- Senator Eddie Lucio, Jr.
- Senator Kel Seliger

There were several changes to the make-up of this committee, with Pat Fallon, Pete Flores, Jose Rodriguez, Beverly Powell, Angela Paxton and Borris Miles all no longer designated as committee members. The total number of members serving this committee also has been reduced, from 11 total committee members to nine for this legislative session.

Lieutenant Governor Patrick also has formed two new committees in the Senate, he announced last week, one covering issues pertaining to local government that will be chaired by Senator Paul Bettencourt (R-Houston) and another legislative panel focused on jurisprudence that will be led by Senator Joan Huffman (R-Houston).

See all other assignments for Senate committees by visiting: <https://bit.ly/3nWnz5H>.

## TEXAS' BUDGET FORECAST HAS IMPROVED, BUT STATE STILL HOLDS A BILLION DOLLAR DEFICIT

Texas Comptroller Glenn Hegar in mid-January provided new reflections on the state of the Texas economy and offered an update on how budgetary funds are faring after releasing the official Biennial Revenue Estimate (BRE) on January 11, one day prior to the start of the 2021 Legislative Session. The comptroller's BRE indicates Texas should have approximately \$112.5 billion in revenue available for general-purpose spending during the 2022-23 biennium, roughly 0.4 percent lower than the funding threshold available for the state's 2020-21 biennium. Still, the budget projections all-around appear vastly improved from estimates shared by the comptroller last summer, when it seemed as though the coronavirus (COVID-19) pandemic might have forced Texas to overcome its biggest budget shortfall in history.

“The Comptroller's BRE is welcome news considering the economic challenges our state has faced. We believe that with a continuing healthy economy, a growing Economic Stabilization Fund and federal COVID-19 relief, we will be able to move forward on our budget priorities this session and balance the budget by session's end, as required by the Constitution,” reacted Texas Lieutenant Governor Dan Patrick to the updated revenue outlook.

Nevertheless, the COVID-19 pandemic has still caused revenue collections to fall well short of what was expected when the legislature approved the 2020-21 budget, meaning the ending balance for the current biennium will actually hold a deficit of close to \$1 billion, according to the comptroller. Consequently, lawmakers will not only be obligated to craft and pass a balanced budget covering the next two years with limited funding available, this legislative session officials also will need to make up for the current billion dollar budgetary shortfall.

## TEXAS CONGRESSMAN DAN CRENSHAW SELECTED TO JOIN HOUSE ENERGY & COMMERCE COMMITTEE

With government activity abuzz in Washington D.C., new rosters have been announced for leading energy committees in the 117<sup>th</sup> Congress. Amongst the committee selections announced in January, Texas Congressman Dan Crenshaw (R-Texas) has been added to the House Energy and Commerce Committee, the oldest standing legislative committee in the U.S. House of Representatives that is vested with jurisdictional authority over matters relating to energy policy, environmental quality and other high-profile issues. Congressman Crenshaw is the only member from Texas to be asked to join this prominent legislative committee this Congress.

“The issues before Energy and Commerce directly impact our community in Houston, especially when it comes to health care and energy policy. I look forward to serving Houstonians on this committee, fighting for personalized health care, lowering drug costs, commonsense solutions to climate change, and protecting Texas energy jobs and our economy,” said Congressman Crenshaw.

“Congressman Dan Crenshaw is going to be a great asset to our team on the Energy and Commerce Committee. It's the most influential committee in the House and especially for Texas. I look forward to working closely with Congressman Crenshaw to help us lead on the health care, technology, and energy policies for America to win the future. Both his policy and communication skills are going to help us win the hearts and minds of the next generation,” said House Energy and Commerce Republican Leader Cathy McMorris Rodgers (R-Washington).

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## ICYMI: RAILROAD COMMISSION HIGHLIGHTS 2020 ACCOMPLISHMENTS AND REGULATORY WORK

Though the past year presented many unique challenges for regulators of the state's energy sector, the Railroad Commission of Texas recently looked back at some of the initiatives, regulatory operations and other happenings that enabled the agency to continue to serve its critical mission throughout 2020. As captured in the commission's '2020 Year in Review,' last year, in the midst of a pandemic, the agency was still able to exceed expectations and legislative goals for several state-managed programs and oversight functions, continued efforts to modernize its IT systems, further enhanced regulatory transparency and streamlined regulatory processes while at the same time reducing administrative burdens on industry.

"The Railroad Commission of Texas' duties and responsibilities are the most diverse and widespread they've been in the agency's 130-year history," described the annual report. "Even so, the commission, which regulates the energy industry in the state, has remained unified and focused in our mission to protect the public, environment and economy of Texas. The COVID-19 pandemic made 2020 one of the most challenging years ever for the entire country, including the commission."

The commission's 'Year in Review' also highlighted other agency achievements from last year, including the launch of a new drone program that allows inspectors to more quickly respond to emergencies, the digitization of historic records and introduction of a new online portal called the Case Administration Service Electronic System (RRC CASES) that gives the public greater access to hearings and enforcement documents. In 2020, Railroad Commissioners also notably took action to address flaring from oil and gas sites in Texas by adopting revisions to the *Application for Exception to Statewide Rule 32*, and also passed orders to provide relief for Texas companies weathering significant instability in energy markets. See the commission's full 'Year in Review' report by visiting: <https://bit.ly/3ccG1Lt>.

## AFTER EPA APPROVAL, TCEQ WILL NOW MANAGE PERMITTING FOR OIL AND GAS DISCHARGE

The Texas Commission on Environmental Quality (TCEQ) will administer the federal National Pollutant Discharge Elimination System (NPDES) program and hold permitting authority regulating produced water, hydrostatic test water, and gas plant effluent discharges resulting from certain oil and gas activities into water, after the U.S. Environmental Protection Agency (EPA) recently approved the state's request to transfer jurisdiction from the Railroad Commission of Texas (RRC) to the state's environmental agency. The action follows legislative orders passed by the 86<sup>th</sup> Texas Legislature under House Bill 2771, signed into effect by Texas Governor Greg Abbott on June 14, 2019, which directed the TCEQ to seek delegation of NPDES program authority.

"After a rigorous review process, we are pleased to announce that the state of Texas will take responsibility of this Clean Water Act program," EPA Region 6 Administrator Ken McQueen said on Friday, January 15. "This action will help Texas administer a process for the regulated community without unnecessary and duplicative permitting processes and ensure the best environmental and economic outcomes."

TCEQ Commissioner Emily Lindley also commented, "TCEQ looks forward to working on permits pursuant to this program delegation. For the past year and a half, staff worked tirelessly to make sure our application was complete and accurate. This delegation will serve Texans well."

Ahead of the EPA's regulatory action, the Texas Independent Producers & Royalty Owners Association (TIPRO) submitted comments to the EPA expressing support for moving management of NPDES to the TCEQ. "TCEQ was granted authority by EPA in 1998 to administer the NPDES program for the Clean Water Act programs under its jurisdiction and has done an outstanding job keeping Texas' natural resources safe by adhering to the strict standards set by EPA. Oil and gas discharges, however, were left regulated by the RRC. TIPRO supports the approval of Docket No. EPAR06-OW-2020-0608 to allow TCEQ to continue its stellar record of environmental stewardship, now with the oil and gas waste discharge program, and increase regulatory efficiency by centralizing NPDES permitting."

Members may review TIPRO's full set of comments about the NPDES transition by visiting: <https://bit.ly/39QhZTr>.

## GOVERNMENT REPORT REVIEWS ECONOMIC AND NATIONAL SECURITY IMPACTS OF POSSIBLE FRACKING BAN

A new report compiled by the U.S. Department of Energy's Office of Fossil Energy is offering broader insights at what a potential federal ban on hydraulic fracturing could do to domestic oil and natural gas supplies, national security and the pocketbook of everyday Americans. The report, put together at the request of outgoing U.S. President Donald Trump, was delivered to the former president and American public on January 14<sup>th</sup> in the final week of the Trump Administration.

"Hydraulic fracturing tapped the great reservoir of America's natural resources. That technology made the United States the world's largest oil and natural gas producer, while also creating high-paying jobs and delivering great consumer savings," said former Assistant Secretary for Fossil Energy Steven Winberg. "This report to the president details just how devastating the economic and national security impacts of a ban would be. Banning this technology would derail our recovery from recent COVID-related economic disruptions and increase the risk of another recession."

According to the Energy Department analysis, if a hydraulic fracturing ban were to be enacted by the government, average annual gasoline prices would increase over 100 percent to over \$4.20 per gallon in 2022 and 2023, and the cost of other petroleum-based products would also rise significantly. Such policy actions also could force retail electricity costs to increase by more than \$480 billion between 2021 and 2025, and retail natural gas costs were estimated to rise by more than \$400 billion between 2021 and 2025. A fracking ban would also weaken the United States' geopolitical standing globally by causing America to become a net importer of oil and gas once again, and return America's dependence on energy from Russia and OPEC.

To download the full report on impacts of a nationwide ban on hydraulic fracturing, please see: <https://bit.ly/3qt8DUu>.

## EPA HIGHLIGHTS MAJOR YEARLY PERFORMANCE AND ENVIRONMENTAL PROGRESS IN 'YEAR IN REVIEW'

A new report published by the U.S. Environmental Protection Agency (EPA) highlights standout achievements for the federal agency in 2020. The EPA's '2020 Year in Review' captures the agency's hard work in a year unlike any other, after challenges from the coronavirus (COVID-19) pandemic pressed federal regulators to meet significant regulatory disruptions and address wide-ranging needs in communities across the country in the midst of an unprecedented public health crisis.

"This report shows a year of accomplishments that, in terms of both policy and regulatory actions, rivals any year in the agency's history; an extraordinary statement that I am happy to stand behind," said former EPA Administrator Andrew Wheeler. "From the first ever emissions standards for aircraft, to drafting the nation's newest recycling goal and finalizing the first overhaul of the Lead and Copper Rule in 30 years, this list of achievements will stand the test of time."

Major 2020 accomplishments by the EPA include:

- Alleviating burden on the oil and natural gas industry by removing ineffective and duplicative requirements while streamlining others. Last August, the EPA announced two final rules to reduce regulatory burdens for oil and natural gas entities while still protecting human health and the environment. Combined, the two final rules were estimated to yield net benefits of \$750 to \$850 million dollars from 2021 to 2030, the annualized equivalent of about \$100 million a year.
- Reviewing and retaining, without changes, the 2015 ozone National Ambient Air Quality Standards (NAAQS) set by the Obama Administration, which was only the second time in Clean Air Act history that the agency completed a NAAQS review within the congressionally mandated five-year timeframe.
- Finalizing a revised definition of "waters of the United States" (WOTUS) under the new "Navigable Waters Protection Rule" (NWPR) that protects the nation's navigable waters while supporting economic growth across the country.
- Modernizing the Clean Water Act (CWA) permitting process by updating EPA's CWA Section 401 regulations to provide greater clarity and set boundaries to ensure consistent implementation and regulatory certainty in the federal licensing and permitting process.
- Updating National Environmental Policy Act (NEPA) regulations, consistent with final rule changes and regulatory updates established by the White House Council on Environmental Quality.
- Strengthening transparency in regulatory science used to guide significant regulatory actions by the EPA.

Regulatory reform also remained a top policy priority at the EPA in 2020, with the agency continuing to lead administration-wide efforts to implement President Trump's "Regulatory Reform" Executive Order (EO 13777) and the "two-for-one" Executive Order (EO 13771), which required two deregulatory actions for every new regulatory action issued. According to the EPA, in calendar year 2020 alone, the agency finalized 28 deregulatory actions, saving Americans an estimated \$92 billion in regulatory costs.

Lastly, the EPA in 2020 also celebrated its 50<sup>th</sup> anniversary. In honor of the milestone, the EPA hosted a December 2<sup>nd</sup> event to unveil its new Ruckelshaus Conference Center at EPA headquarters, named in honor of EPA's first administrator William D. Ruckelshaus.

Review other notable regulatory work by the EPA last year by seeing the full 'Year in Review' at: <https://bit.ly/2M6eKPt>. Specifically, oil and gas stakeholders are directed to the discussion of regulatory work pertaining to this business sector starting on page 18 of the EPA report.

## IN ONE OF ITS CONCLUDING ACTIONS, THE TRUMP ADMINISTRATION MAKES FINAL PUSH ON LNG POLICIES

In the last weeks of the Trump Department of Energy, officials issued a final policy statement removing the requirement for long-term liquefied natural gas (LNG) export authorization holders to seek separate short-term authorizations to export the same volumes approved for long-term exports. By consolidating this authority into a single authorization without any increase in total approved export volumes, the department said the regulatory process for LNG exporters would be further streamlined.

"This policy is a sensible and concrete way [the Energy Department] can remove unnecessary regulatory burdens for LNG exporters. Those exports bring benefits to our economy, while also helping to reduce global emissions," said former Secretary of Energy Dan Brouillette.

The Energy Department in January announced that concurrent with its latest policy statement, it was also amending several long-term LNG export orders to add short-term export authority to the long-term orders. "We are increasingly seeing more sales of LNG on the spot market, and this action by [the department] is allowing more flexibility for U.S. LNG exporters. With this policy, U.S. LNG exporters can let the market—not our regulatory process—determine which LNG cargos will be exported under long-term or short-term agreements on the spot market," said former Deputy Secretary of Energy Mark W. Menezes.

Over its four-year term, the Trump Administration delivered on commitments to bolster the nation's oil and natural gas industry, and fulfilled promises to secure the leading position for U.S. LNG in the global energy market. LNG exports from the United States more than quadrupled during the Trump Administration, supported by regulatory actions and other measures adopted by the Energy Department to provide a sensible regulatory environment that offers greater regulatory certainty for U.S. exporters. Amongst other actions, last year the Energy Department extended long-term LNG export authorizations through 2050 for up to 18 projects, for instance, positioning U.S. LNG producers to meet long-term global demand, supporting industry jobs and generating large economic value that reduced the country's trade deficit by over \$10 billion.

The United States today remains the top global producer of natural gas and has completed four consecutive years as a net exporter of natural gas. To date, U.S. LNG exports have reached 38 countries across five continents.

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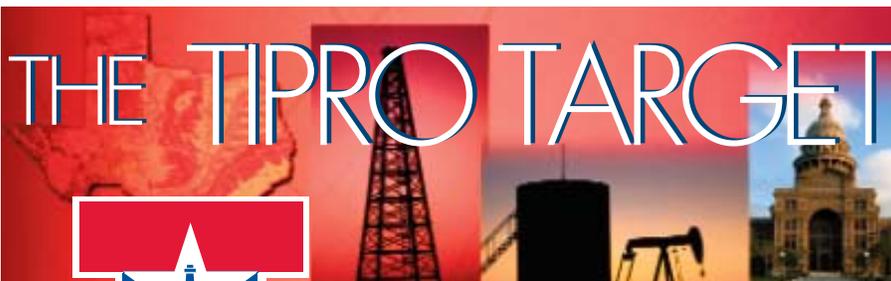
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