

TPA LEGISLATIVE OUTREACH SERIES

The oil and gas industry, of which pipelines are an integral part, is vital to the economy of Texas and the nation. TPA has reached out to Texas state legislators to inquire about the importance of the industry to the residents and businesses of their districts.

Here, Rep. Drew Darby (R-San Angelo), speaks about his Texas House District 72, which includes the counties of Coke, Concho, Glasscock, Howard, Irion, Reagan, Runnels, Sterling and Tom Green.

First elected in 2006, Rep. Darby is a lifelong West Texan and native of San Angelo. He graduated from the University of Texas at Austin with a Bachelor of Business Administration, majoring in Finance and minoring in Accounting. In 1971, he earned a Doctorate of Jurisprudence from the University of Texas and is a graduate of the Emerging Political Leaders Program at the Darden School of Business, University of Virginia.

Drew currently serves as a member of the House Committee on Energy Resources and the House Committee on Licensing & Administrative Procedures. In previous sessions, Rep. Darby has served as a member of the Legislative Budget Board, the State Water Implementation Fund for Texas Advisory Committee, Chairman of the House Committee on Energy Resources, Chairman of the House Committee on Redistricting and as a subcommittee Chairman of the House Committee on Appropriations.



REP. DARBY ON THE IMPORTANCE OF THE PIPELINE INDUSTRY TO HIS TEXAS HOUSE DISTRICT, THE STATE AND THE NATION

Q. You are a successful businessman – owner of Surety Title and Of Counsel to the Energy and Real Estate practice group at the law firm of Jackson Walker, LLP – yet you have taken the time to serve as an elected official and with a vital interest in the state’s energy sector. How important is it that Texas ensures the continued strength of this industry?

A. Thank you for the compliment and thank the Texas Pipeline Association (TPA) for being a great partner and steadfast advocate for the energy industry. It is an incredible privilege to serve the people of West Texas in the House of Representatives and as a member of the House Committee on Energy Resources.

The Texas energy industry is a fundamental pillar of our state and economy and has been for more than 150 years. Today, energy plays a major role in making Texas a globally recognized economic engine. As a lifelong West Texan, I have seen firsthand how a thriving energy industry impacts my community and my neighbors in the Permian Basin, but it also generates economic benefits statewide. The Texas energy industry contributes thousands of jobs, generates billions in revenue, attracts new research and technology and drives development at all levels. A robust energy industry is critical to our national security too. Texas is better prepared to withstand unpredictable market events when we have a strong energy sector. Our diverse portfolio of resources and reserves helps us remain energy independent and competitive.

The interdependency of Texas' energy industry and our state's economic health means that ensuring the continued strength of this industry must be a Texas-sized priority, and it is one I commit to promoting again in the 88th Legislative Session in 2023.

Q. Are energy services a substantial source of jobs and tax revenues in your district? What benefits does it provide and why are they important?

A. Energy services are hugely important in providing long-term, high-paying jobs at all levels, as well as supply-dedicated resources of revenue in and around my district. When energy-related employment is strong, revenue areas, such as leisure and hospitality spending, for example, increase alongside to reinvigorate our communities, schools, hospitals and small businesses.

In 2021, Texas led the nation with more than 880,000 energy workers statewide, which represented 11.3 percent of all energy jobs in the United States. At the same time, the Texas oil and gas industry paid \$15.8 billion in state and local taxes and royalties, and in my district alone, oil and gas contributed more than \$31.4 million for county tax bases in House District 72. That is truly something to brag about.

- Q. You have worked diligently with your colleagues on the House Committee on Energy Resources, as well as with a wide variety of state stakeholders – including TPA – to ensure the integrity of the energy grid since Winter Storm Uri. How do you think these efforts are progressing and what do you see going forward in the next session?**
- A.** Winter Storm Uri required us to reassess the responsiveness of our entire power system during severe weather emergencies — including transmission to generation facilities to pipelines to the Public Utility Commission to the Electric Reliability Council of Texas and to the Railroad Commission — and highlighted our grid’s vulnerabilities for continued reforms. I supported the plans we passed last session to prevent another devastating energy emergency and to ensure the future reliability and resiliency of our grid. I believe we are significantly more secure heading into this winter season. Still, while these efforts went far, we cannot overlook the significance of drought and extreme weather on our electrical grid. Next session, I plan to advocate for an "all-of-the-above" approach to developing all our energy resources synchronously with continuing to build out our energy infrastructure.
- Q. Do you support policies that encourage the building of an essential pipeline infrastructure to deliver the oil and natural gas products that lead to lower energy prices for consumers, including for electricity and gasoline, especially during these times of high energy prices and inflation?**
- A.** Texans deserve and demand a resilient energy portfolio that we can trust, which means everything must be on the table when it comes to developing and dispatching Texas’ abundant resources for its nearly 30 million residents. I support strategic investments in our critical infrastructure, like pipelines. Texas is America’s top energy producer, but we are also the largest energy consumer. We must build our essential pipeline infrastructure to deliver low-cost, reliable products to all Texas consumers.

Q. Is there any other relevant information you would like to share?

A. As Texas continues to see massive growth and increasing energy consumption, it is crucial we also invest in the above-ground essential infrastructure necessary to keep pace with demand. Congestion and inadequate transmission prevent the reliable delivery of power to customers, a problem that has, according to the Independent Market Monitor, already cost consumers \$2.2 billion through September of 2022. I prioritized legislation last session to expedite transmission projects and ease constraints, and I commit to prioritizing transmission policy again next session. Without question, reducing constraints and congestion in our grid allows all sectors, including oil and gas operators and pipelines, to more effectively move their products.