



# IN THE PIPELINE

TEXAS PIPELINE ASSOCIATION NEWSLETTER

SPRING 2023

## FROM THE CHAIRMAN

THANK YOU! I am humbled and honored by the trust you have put in me to serve as TPA's 2023 Chairman in our 40th year! I thank our past Chairman, Shay Bluntzer, for all his hard work and dedication. I recognize and highly respect the important role our association plays for our industry, the companies and communities we serve every day throughout Texas and the country. I am committed to providing the support to achieve our mission, to demonstrate the importance of the pipeline industry to Texas and to create the sound policy that will allow us to continue to thrive. By focusing on TPA principles – Safety; Environmental and Operational Excellence; Engaged Members; Innovative Solutions; and Integrity, Candor and Respect – together we can create an even better future.

Beneath the heart of Texas is an integrated system of pipelines delivering our essential energy. We are a critical part of the modern infrastructure that improves the quality of our lives and that strengthens our economy. We have an incredible track record in serving our employees and the communities where we live and work. We provide well-paying jobs in our facilities located across Texas and the country. We play a critical role in the energy and petrochemical supply chain for untold billions of dollars of domestic and international commerce. We are the link that safely binds together various modes of transportation: ships, barges, pipelines, railcars and trucks.

We train our people extensively and offer rewarding lifetime career opportunities. Our industry uses the services and goods of a multitude of contractors and suppliers, creating significant economic contributions for our communities and our nation. We invest billions in our communities every year in new facilities, upgrades and enhancements. We do all this by focusing on enhancing safety and minimizing operational risk, advancing sustainability to grow our business and industry and embracing sound environmental practices. We are good stewards in the communities where we operate.

As you know, Texas is in its biennial legislative session and as I write this note today on the 187th anniversary of Texas independence, I cannot forget those who came before us to shape this great state, establish our independence with a “never surrender” attitude. Today, our industry is under great attack. You should know

that the TPA team, Thure, Jennifer and Sheryl, are doing unbelievable work on your behalf.

As Chairman, I will work with TPA staff and members to continue TPA's quest to:

- (1) Serve as an advocate in Austin and Washington to promote regulation and legislation that will support and protect our industry, recognizing the changing political climate;
- (2) Ensure TPA's long-term viability through keeping a solid economic footing in turbulent times;
- (3) Provide an open dialogue with our membership to improve operations, safety, environmental performance and sustainability;
- (4) Identify and coordinate with allies inside and outside our sector who have shared purpose and goals; and
- (5) Be an active participant in the legislative process in support of TPA's priorities.

We see so many new opportunities on the horizon, not the least of which are:

- Electric market redesign
- Carbon Capture, Utilization and Storage (CCUS)
- Economic development through incentives

As an organization and as an industry, we will continue to maintain strong and open relations with decision makers and stakeholders influencing our industry's future. We will continue to work to shape legislation that is good for industry, our communities, the environment and the state. TPA will continue to be a unifying force for the industry where we work proactively to advance economic benefits of our collective organization. And we will continue to help manage issues and respond to potential risks from legislative, regulatory and image standpoints.

Never forgetting, our industry's top priority is safety and environmental performance – safety must always be first; we must move in concert to ensure efficiency to advance our positions. We have every incentive to operate in an environmentally safe manner, to protect the communities where we live and operate and to safeguard our employees to ensure the economic viability of our businesses. I look forward to a successful legislative session and beyond and appreciate the opportunity to serve. Thank you!

Vincent DiCosimo, Targa Resources Chairman, Texas Pipeline Association

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## PRESIDENT'S MESSAGE



Welcome to the Spring edition of *In the Pipeline!* With the Texas Legislative Session in full swing, we hope you find this issue informative, as well as a good summary of the activities on which TPA is engaging on behalf of the industry.

Texas continues to be the nation's largest producer of oil and natural gas. We are also the largest energy-consuming state. The role of pipelines remains as the critical linchpin to making this economic engine possible, with TPA a proud advocate for the benefits pipelines provide to the state. While the industry has and will continue to keep up with the demand of Texas' energy prowess, there are several pieces of filed legislation that could have a significant impact on how business is conducted in Texas. I hope you spend time studying some of the bills that are mentioned in the Legislative Report and share any thoughts or provide feedback on those bills, or any others of interest to you, as it makes our advocacy efforts more effective.

At the time of this publication, House and Senate committee hearings are occurring at a fast and steady pace. Issues affecting pipelines, such as economic development efforts, eminent domain, environmental changes and gas/electric infrastructure matters, are at the forefront of some of these committee hearings. It is imperative that legislators hear from our industry regarding the impact that legislation can have. To that effect, TPA will continue to educate and inform policymakers and provide testimony when given the opportunity. But always remember, your company's voice to committee members also carries significant weight in influencing decision

making. I encourage you to fill out a witness form expressing your support or opposition to bills of interest before the committees. There is certainly strength in numbers in the legislative process and by teaming together, we can make a stronger impact.

And speaking of strong impacts, I want to thank everyone who participated in Texas Energy Day at the Capitol. There were more than 600 energy employees and stakeholders who attended and visited the offices of our elected officials. TPA was very active in this effort and the feedback was very positive from the offices we visited. It would not have been a success without participating companies lending their employees to share their experiences in industry and highlighting the significant impact oil and gas infrastructure has in our daily lives.

We will continue to keep you informed on issues and bills of interest affecting the industry throughout the session and will maintain our focus on advocating for policies that keep the industry, and thus the state, an economic juggernaut in the nation and the world. As always, we stand ready to assist you and your member companies on issues important to you, and welcome the open communication that has made TPA so effective for so long. We look forward to seeing you around the Capitol building and thank you for the opportunity to advocate for an industry that truly makes Texas the best place to live and work.

All my best,  
Thure Cannon

## VINCENT DICOSIMO ELECTED TPA CHAIRMAN



***Congratulations to Vincent DiCosimo on his election as TPA chairman, which took place at TPA's Annual Meeting in Houston on Jan. 6.***

"Vince's sage counsel has been invaluable to the Texas Pipeline Association for many years and now, we welcome him as chairman," said TPA President Thure Cannon. "We would also like to thank Shay Bluntzer for his dedication and leadership over the past two years as our chairman. We are very fortunate to have this level of leadership to help guide us through many challenging and exciting times for the midstream industry."

DiCosimo is Vice President of Government Affairs at Targa Resources Corp. and served as an officer of Targa Resources since the acquisition of his company, Coast Energy Group LLC, in December of 2010. Prior to his current role, DiCosimo was Senior Vice President of Targa Petroleum Logistics at Targa Resources. He previously served as founder and CEO of Coast Energy LLC, co-founder and CEO of PipeStem Energy Group, vice president of

marketing for Enterprise Products Partners, founder and CEO of RedMeteor LLC and founder, CEO and EVP of Cornerstone Propane and Coast Energy Group, LP (NYSE).

DiCosimo currently serves as a director of the International Liquids Terminal Association, vice chairman of the Greater Houston Port Bureau, American Oil Pipeline Association Pipeline Leadership Committee, a director of the Louisiana Oil & Gas Association, Texas Oil & Gas Association board and Targa's state and federal PACs. He represents Targa on the Greater Houston Partnership, North Dakota Petroleum Council, New Mexico Oil & Gas Association and the Petroleum Alliance. He graduated with honors from West Texas A&M University with a Bachelor of Science degree in Public Administration and attended the University of Houston for post graduate studies.

"I am honored to continue to serve this great association," said DiCosimo. "Especially as we work together with all the state's stakeholders to ensure we can continue delivering the essential hydrocarbon energy for Texas to grow and thrive and provide regional and national security."

# RECENT ENVIRONMENTAL REGULATORY ACTIVITY OF INTEREST TO THE PIPELINE INDUSTRY

By Don Lewis, Duggins Wren Mann & Romero, LLP

In recent months, there have been numerous developments in environmental law of interest to the pipeline industry. Most are occurring at the federal level, where the Biden Administration continues to pursue initiatives aimed at imposing more restrictions on regulated companies. At the state level, the Texas Commission on Environmental Quality (TCEQ) is engaged in rulemaking to implement legislation passed last session pertaining to storage tank safety. In addition, the 88th Texas Legislative Session has seen the introduction of numerous environmental bills, including bills responding to the Sunset Commission's review of TCEQ.

Highlights of recent and ongoing environmental law developments include:

- The Environmental Protection Agency (EPA) and the U.S. Army Corps of Engineers recently finalized the latest in a series of definitions attempting to describe the scope of “waters of the United States” (WOTUS) that are subject to federal protections and permitting requirements. The latest definition generally implements agency practice as it had existed prior to 2015, including implementation of a “significant nexus” test that had been discarded by the Trump Administration and that can increase the reach of the WOTUS definition. Enforcement of the new rule is currently blocked in Texas by order of U.S. District Judge Jeffrey Brown, who cast doubt on its legality and its use of the “significant nexus” test.
- EPA's review of the current National Ambient Air Quality Standard (NAAQS) level for ozone is continuing. If the NAAQS is changed, it is likely to be made more stringent, which would result in more areas being deemed in nonattainment. A nonattainment classification for an area results in additional emission restrictions on companies operating in that area.
- Last year EPA indicated that it was giving serious consideration to designating parts of the Permian Basin in Texas and New Mexico as nonattainment for the ozone NAAQS. More recently, that item was removed from EPA's Unified Agenda listings, suggesting that, for now, EPA is not pursuing this matter.
- In February, EPA issued a final rule disapproving the Texas state implementation plan (SIP) pertaining to interstate transport of emissions under the 2015 ozone NAAQS. This pertains to the Clean Air Act requirement that each state's SIP must contain adequate provisions to prohibit emissions from within the state from significantly contributing to nonattainment of the NAAQS in other states. EPA's action means that EPA will promulgate a

federal implementation plan for Texas to address the requirements that EPA finds lacking in Texas' rules, unless Texas subsequently submits and EPA approves a revised SIP. Such action by EPA would include new NOx emission limits on reciprocating internal combustion engines involved in pipeline transportation of natural gas.

- EPA is proposing to disapprove Texas rule provisions allowing for affirmative defenses for excess emissions during periods of startup, shutdown and maintenance (30 TAC §§ 101.222(b)-(e)). This proposal would reinstate action taken in 2015 by the Obama Administration's EPA but withdrawn in 2020 by EPA Region 6 under the Trump Administration.
- EPA recently proposed a supplement to its 2021 proposal for new source performance standards for new and modified sources, and emission guidelines for existing sources, of methane and other types of emissions from the oil and natural gas industry. If finalized, the proposed standards and guidelines would increase the scope and stringency of federal standards governing industry air emissions.
- In late December, EPA published a proposal to update its rules regarding the development of state plans, and EPA's promulgation of federal plans, under Clean Air Act Section 111(d), pertaining to requirements for existing sources. Among other things, that proposal would require that a state seeking to apply a standard of reduced stringency to a facility under “remaining useful life and other factors” considerations would have to make a number of complex demonstrations. For states such as Texas, with a large number of affected sources, these proposed requirements would be so time-consuming and onerous that the state would have no practical ability to implement less stringent standards – an unfortunate result that TCEQ and TPA have argued against in recently filed comments.
- The United States Fish and Wildlife Service recently designated the prostrate milkweed, found in border areas of South Texas, as “endangered” under the Endangered Species Act and identified critical habitat for the species in Starr and Zapata Counties. In addition, the agency designated populations of the lesser prairie chicken, found in the panhandle areas of Texas, as well as in other states, as “endangered” or “threatened,” depending on the location of the population. These designations will result in greater federal scrutiny of industrial operations and construction in the areas where the species can be found.

**WE EXPECT AGGRESSIVE  
FEDERAL REGULATORY ACTIVITY  
TO CONTINUE THROUGHOUT  
THE REMAINDER OF THE BIDEN  
ADMINISTRATION'S TERM  
IN OFFICE.**

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- TCEQ is conducting a notice and comment rulemaking to implement SB 900, enacted in 2021, which requires TCEQ to establish a performance standards program for specified types of storage vessels. The rules will be aimed at protecting groundwater and surface water from harmful releases from storage vessels in the event of an accident or natural disaster. Public hearings on the rulemaking will take place in March and April. TCEQ expects to adopt new rules by August 2023.
- TCEQ recently issued interpretive memoranda addressing errors that were included in the agency's 2021 final rules (30 TAC Chapter 115, Subchapter B, Division 7) pertaining to emissions monitoring of oil and gas equipment in the Dallas-Fort Worth and Houston-Galveston-Brazoria areas. The memos identified the interim steps that TCEQ was immediately taking to address

those issues, pending an upcoming rulemaking to formally address the errors, which is scheduled to begin in May, with final rules to be adopted in November 2023.

- In the Legislature, bills have been introduced in the House and Senate to continue TCEQ in existence until at least 2035. Those bills recommend a number of changes to TCEQ rules and operating procedures, including a proposed increase of maximum daily fines for violations from \$25,000 to \$40,000. These bills can be amended as the legislative process continues.

As always, we will keep TPA members informed of developments on these and other areas of interest. We expect aggressive federal regulatory activity to continue throughout the remainder of the Biden Administration's term in office.

## PHMSA COMPLETES PART III OF ITS MEGA RULE

By Phil Gamble, The Law Office of Phil Gamble

The Pipeline and Hazardous Materials Safety Administration (PHMSA) completed the final rule in its three-phased "Mega Rule". The Mega Rule is a set of regulations designed to improve pipeline safety by reducing the frequency of pipeline failures. This rulemaking was instituted following the 2010 incident in San Bruno, California involving Pacific Gas and Electric Company.

The Mega Rule applies to onshore gas transmission pipelines and clarifies integrity management regulations, expands corrosion control requirements, requires inspections following extreme weather events and enhances repair criteria for pipelines.

The Mega Rule commenced in August 2011 with PHMSA issuing a Notice of Proposed Rulemaking to revise the regulations for gas gathering and gas transmission pipelines. A significant number of comments was received.

PHMSA elected to divide the Mega Rule into three separate rulemakings:

Part I, issued in October 2019, focused on maximum operating pressure and integrity management issues in High Consequence Areas (HCAs) for onshore pipelines.

Part II, issued in November 2021, established new safety standards and reporting requirements for previously unregulated onshore gas gathering lines.

Part III, which was published on Aug. 24, 2022, will go into effect on May 24, 2023. A copy of the public comments and the final rule may be found at [Gas-Transmission-2-Final-Rule.pdf \(dot.gov\)](#).

Significant requirements of Part III include:

- Management of Change – operators of onshore gas transmission pipelines are required to evaluate and mitigate any changes that pose a risk to safety or the environment

through a management-of-change process. These changes can include technical, physical, procedural and organizational changes, and can be either temporary or permanent. The operator's process should include the reason for the change, the authority for approving changes, analysis of the implications of the change, the acquisition of necessary work permits, appropriate documentation, communication of the change to any affected parties, time limitations of the change and the qualifications of staff. This requirement must be implemented by Feb. 26, 2024, unless the operator obtains an extension from PHMSA. The requirement only applies to operators of gas transmission pipelines (not gathering and distribution lines).

- Corrosion Control – the rule expands corrosion control requirements for gas transmission pipelines, but explicitly exempts gathering and distribution pipelines from the requirements. Additional requirements have been prescribed for operators to verify that pipeline coating systems have not been compromised during installation. In addition, new requirements for surveys for interference of corrosion protection, detection and repair of external corrosion and internal corrosion have been implemented.
- Inspections Following Extreme Weather Events – new provisions require gas pipeline operators to commence inspection of pipelines within 72 hours after the point in time that personnel may safely inspect facilities following an extreme weather event. The rule requires prompt remedial action to ensure safe operation following the inspection.
- Integrity Management – the rule revises requirements for identifying and analyzing threats, performing direct assessments, preparing pipelines and implementing preventative

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and mitigated measures. The new requirements must be utilized beginning May 24, 2023 and fully implemented by Feb. 26, 2024. The rule allows operators to request a one-year extension by filing a request at least 90 days in advance of the February deadline.

- Repair Criteria for HCAs and Non-HCAs – expands criteria and expedites timelines for pipeline repairs. The rule adopts repair criteria for non-HCAs that use a similar structure to those for HCAs. For non-HCAs, the criteria includes immediate, two-year and monitored. For both HCAs and non-HCAs, revisions were made to the rule to address immediate repair conditions, including metal loss, cracks and dents.

Following publication of Part III of the Final Rule on Aug. 24, 2022, PHMSA issued a Notice of Limited Enforcement Discretion on Dec. 6, 2022. PHMSA determined that additional agency guidance and associated time to implement the guidance would provide additional safety benefits to the public. The agency determined that it would exercise its current enforcement discretion and refrain from taking enforcement action alleging viola-

tions of the rule's requirements for nine additional months from May 24, 2023 to Feb. 24, 2024 against operators of existing onshore gas transmission pipelines in service as of the publication date (Aug. 24, 2022) of Part III of the Final Rule.

During that time, PHMSA will prepare and issue guidance to aid operators in their compliance with the rule. Please note that this enforcement discretion will not apply to provisions of Part III of the rule, which prescribed independent compliance timelines, such as the Part 192.917(b) deadline to begin data gathering and integration of potential integrity threats and the 192.13(d) deadline for the management of change process. The enforcement discretion does not apply to pipelines that are new or replaced after Aug. 24, 2022. You can view the [Notice of Limited Enforcement Discretion](#) for more information.

The Railroad Commission of Texas (RRC) currently plans to implement a rulemaking in the third quarter of 2023 to conform its rules with the requirements of the new PHMSA rules. However, the RRC will begin enforcement of the PHMSA rule requirements as of the effective date in each section of the rule.

## TPA MONITORING BILLS BEFORE 88TH TEXAS LEGISLATIVE SESSION

By Anne T. Billingsley, ONEOK, Inc.

It's been a very active session so far. In fact, the March 10 bill filing deadline saw an influx of pending bills for members to consider: 5,301 in the House and 2,565 in the Senate, with 255 Joint Resolutions in the House and 91 Joint Resolutions in the Senate. TPA is continuing to monitor the bills that will most affect our industry.

The week following the announcement of House committee assignments, House Speaker Dade Phelan (R-Port Arthur) announced three bills that will be priorities of the House this session. HB 5 by Rep. Todd Hunter (R-Port Aransas), also known as the Texas Jobs & Security Act, would initiate a tax incentive program like the Chapter 313 program that expired in 2022. This bill could provide Texas with a critical economic development tool to create additional jobs, investments and tax revenue, keeping the state competitive in drawing businesses to relocate or expand in Texas. Under HB 5, incentives would be targeted and temporary in attracting large-scale, capital-intensive projects related to the manufacturing, national security and energy infrastructure industries. Texas taxpayers would also have transparency on how state incentive dollars are used, the number of jobs created and the full economic impact of such projects.

Lt. Gov. Dan Patrick held a press conference with Sen. Charles Schwertner (R-Georgetown) and Sen. Phil King (R-Weatherford) to announce legislation addressing electric grid reliability. Several bills have been filed relating to this issue, including:

### TPA IS CONTINUING TO MONITOR THE BILLS THAT WILL MOST AFFECT OUR INDUSTRY

- SB 6 (Schwertner/King): Relating to the establishment of the Texas Energy Insurance Program and other funding mechanisms to support the construction and operation of electric generating facilities;
- SB 7 (Schwertner/King): Relating to the reliability of the ERCOT power grid;
- SB 2010 (Schwertner/King): Relating to reporting by the market monitor of potential manipulation of the wholesale electric market;
- SB 2011 (Schwertner/King): Relating to the authority of the Public Utility Commission of Texas (PUC) to impose administrative penalties and enter into voluntary mitigation plans; increasing an administrative penalty;
- SB 2012 (Schwertner/King): Relating to electricity services; increasing an administrative penalty;
- SB 2013 (Schwertner/King): Grid Infrastructure Security Bill relating to access to and the security of certain critical infrastructure;
- SB 1287 (King): Interconnection Allowance, relating to the cost of interconnecting certain electric generation and energy storage facilities with the ERCOT transmission system;
- SB 2014 (King/Schwertner): Relating to the legislature's goals for renewable electric generating capacity; and

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- SB 2015 (King/Schwertner): Dispatchable Credits, relating to the legislature's goals for electric generation capacity in this state.

### Sunset Review

Under the Texas Sunset Act, an agency under review can be abolished or have some of its functions transferred to another agency if the Legislature deems that doing so will improve efficiency or effectiveness.

### Public Utility Commission

HB 1500 Justin Holland and SB 1368 Charles Schwertner: Relating to the continuation and functions of PUC and the Office of Public Utility Counsel, and the functions of the independent organization certified for the ERCOT power region.

### Texas Commission on Environmental Quality (TCEQ)

HB 1505 by Keith Bell and SB 1397 Schwertner: Relating to the continuation and functions of TCEQ.

## TPA NEWS BRIEFS

# TPA TESTIFIES BEFORE SENATE AND HOUSE COMMITTEES ON THE STATE'S ESSENTIAL MIDSTREAM INDUSTRY

TPA President Thure Cannon joined industry colleagues in testifying before the Senate Committee on Natural Resources & Economic Development on March 1 on the vital importance of the midstream industry to Texas and the nation. He made three main points:

- 1) Pipelines are the safest, most efficient and economical way to transport hydrocarbons;
- 2) Texas is growing rapidly and the need for additional infrastructure now is imperative to meet Texas' energy needs; and
- 3) The economic impact of pipelines is great and expected to grow – as long as sound regulatory policy remains in place.

"Texas is the nation's largest gas producer and is also the largest gas-consuming state," Cannon testified. "We have developed the nation's largest and best pipeline infrastructure to connect production to its end users."

He testified about the many advantages the Texas midstream industry brings to the state. "This has certainly encouraged more industry to locate in Texas, where they can take advantage of abundant gas supplies and competitive and flexible pipeline infrastructure." Cannon's [full testimony](#) can be found at timestamp 50:37.

Jennifer Coffee, TPA General Counsel, testified before the Texas House Committee on Energy Resources on March 20 with a brief overview of the Texas pipeline industry, including that its intrastate pipelines are regulated differently from the federally regulated interstate lines. In Texas, she said, "New pipeline is going into the ground every day because of the efficient regulatory structure in place at the Railroad Commission. This is very dissimilar from the exceedingly time-consuming, costly and overly burdensome process seen at the federal level." She explained how pipelines are a vital economic driver in Texas, contributing over \$48 billion in economic output and sustaining over 238,000 jobs. "None of this would be possible without the hard work of this committee and the rest of the Texas legislature in keeping Texas a business-friendly state and the industry the bedrock of its economic success." Coffee's [testimony](#) can be found at timestamp 18:00.



TPA President Thure Cannon (on right), testified before the Senate Committee on Natural Resources & Economic Development, along with industry colleagues Jason Modglin, Texas Alliance of Energy Producers, and Todd Staples, TXOGA.

## TPA HAS CREATED NEW COLLATERAL FOR SHARING

To help members share vital information about the Texas midstream industry, TPA has created new material – a [Pipelines 101](#) primer – and updated its existing [Why Pipelines Matter to You](#) one-pager. We've also created new social media images to convey some of the most important messaging about the benefits of a robust pipeline infrastructure. Please share the one-pagers with your colleagues and other stakeholders. These and other materials can be downloaded directly from the TPA website.

## SEN. PHIL KING ON HOW PIPELINES DELIVER PROSPERITY TO HIS SENATE DISTRICT



*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, Sen. Phil King (R-Weatherford), explains how the midstream sector is so important to his district. Sen. King proudly serves the citizens of SD 10, a sprawling district with a mixture of urban, suburban and rural interests across eight counties. He serves as vice chair of the Senate Committee on Business & Commerce. He previously served as State Representative and Parker County Justice of the Peace. He was just elected as chairman of the Texas Conservative Coalition Research Institute. He also serves on the National Board of Directors for the American Legislative Exchange Council and was the 2015 National Chair. Sen. King was a police officer in Fort Worth for 15 years, a reserve officer for 26 years and continues to serve in the Texas State Guard. A practicing attorney and small business owner, he resides in Weatherford where he and his family have been longtime members of Trinity Bible Church. Phil and his wife Terry are the proud parents of six children and 17 grandchildren. Sen. King earned his B.A. and M.B.A. from Dallas Baptist University and a law degree from Texas A&M University School of Law (formerly known as Texas Wesleyan University School of Law).*

**Q. The recently published [TXOGA Annual Energy & Economic Impact Report](#) outlines the extraordinary role that oil and natural gas play in our state and national economy, accounting for \$24.7 billion in state and local taxes and state royalties – the highest total in history. How important is the industry to the overall Texas budget, as well as to your district?**

A. The oil and gas industry is critically important to the Texas economy in many ways. First, state and local taxes and state royalties generated by the industry help pay for essential functions, such as funding for schools, universities, roads, bridges and other items in our state budget. As mentioned above, the Texas oil and natural gas industry paid \$24.7 billion in state and local taxes and state royalties, the highest in state history.

On the national level, Texas oil and gas provides the economic fuel that has helped our nation become energy independent, a monumental accomplishment with significant national security and foreign policy implications. Because of Texas' leadership in achieving national energy independence, our country is no longer solely dependent on foreign nations for our energy needs.

One of the most troubling developments over the past few years is the effort by some companies – often under pressure from “woke” activists – to cut ties with traditional oil and gas firms. That's why, last session, I authored a bill in the Texas House that prevents Texas from investing in or doing business with firms that cut ties with the energy industry. This bill, signed into law by Gov. Abbott, sent a strong message to both Washington and Wall Street that if you boycott Texas energy, then Texas will boycott you.

**Q. As vice chair of the Senate Committee on Business & Commerce, what are your priorities for addressing the great demands on the state's energy infrastructure with changing winter weather patterns, increased population growth and hundreds of new energy-hungry businesses moving to the state?**

A. First, it's important to recognize that the growing demands on our state's energy infrastructure are a result of people from across the country moving here for the unparalleled opportuni-

ties we provide. That's a testament to the pro-business, fiscally responsible stewardship we have worked to maintain over the years. Our policies have positioned Texas as an economic powerhouse that attracts jobs and capital and corporate relocations. We provide an environment that encourages entrepreneurs to take risks, build companies and reach their dreams.

Now the challenge becomes ensuring that we have the energy and power needed for the growing Lone Star State, and that's where my focus will be on the Business & Commerce Committee. After the actions taken in the last legislative session following Winter Storm Uri, we continue to explore various options to further reform and strengthen the Texas grid. Central to this must be the addition of gas-fired electric power, and that cannot occur without Texas pipelines supplying that clean fuel source.

**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?**

A. When we speak of the infrastructure needed to ensure Texas remains an economic powerhouse, pipeline infrastructure must be part of that discussion. Before coming to the Senate, in the Texas House I represented Parker and Wise Counties. This area was in the heart of the Barnett Shale, where new fracking technologies first originated in the early 2000s. The growth and economic prosperity of our communities was driven in no small part by the Barnett Shale boom. After those hydrocarbons were extracted from over 20 counties across North Texas, pipelines provided the means by which these products were safely transported for processing and distribution.

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

A. As I begin my first term in the Texas Senate, I look forward to being part of the solution that will ensure that my kids and grandkids never have to be concerned about whether the lights will be on or their home is heated during the coldest winter days. I appreciate the opportunity to work with members of the Texas Pipeline Association toward achieving that goal.

# A UNIQUE PERMIAN BASIN COALITION DRIVES COLLABORATION TO SAVE LIVES

Following an alarming increase in road fatalities in the Permian Basin between 2016-2018 a broad coalition of stakeholders came together to invest in solving road safety issues throughout the Basin in Texas and New Mexico.

The Permian Road Safety Coalition (PRSC) is a collaborative effort of citizens, agencies and businesses committed to improving safety on the roadways in West Texas and Southeast New Mexico. Staying true to this mission, PRSC engages stakeholders with innovative ideas primarily driven by the expertise of its coalition partners. These include effective advocacy activities, engaging educational events and consistent support for area communities. Since PRSC's inception in 2018, fatalities have decreased across the Permian Basin's 27 energy-producing counties.

Gov. Greg Abbott commended the organization for its "tireless and incredibly effective work to make the roads of the Permian

Basin safer." The Texas House of Representatives Transportation Committee invited the PRSC to testify on its efforts last year. What followed was an additional commitment of \$1 billion to the Permian Basin's infrastructure improvements. PRSC also recently completed a three-year, \$5 million campaign to supply Permian Basin first responders with life-saving equipment kits – allowing first-on-the-scene responders to render immediate life-saving aid to crash victims.

Those supporting the not-for-profit Coalition include major companies in the energy exploration, production, midstream, transportation and supply chain sectors, demonstrating a strong commitment to road safety. This collaborative effort is making a big difference by helping to make roadways safer.

For further information on PRSC, please visit [www.permianroadsafety.org](http://www.permianroadsafety.org) and follow the group's [LinkedIn](#) and [Facebook](#) accounts.



Life-saving equipment is sorted and ready for first responders at a recent distribution event in Hobbs, New Mexico – the first of five events held late last year. In total, PRSC donated more than 7,000 pieces of equipment to first responders, representing 82 departments in 27 Permian Basin counties.



FROM LEFT: PRSC Executive Director Ellen K. Ramsey welcomed guest speakers to the recent Road Safety Luncheon Series held on Feb. 28 in Fort Stockton, Texas. Joining Ramsey were Alexandra Couture, Atlas Energy Solutions; Jessika Marquez, Office of Congressman Tony Gonzales; Rodrigo Estrada, Office of Congressman Tony Gonzales; Sgt. Steven Blanco, Texas DPS; Michael Smith, Managing Director, PRSC; Katie Mueller, National Safety Council; April Ramos, National Safety Council; and Remie Ramos, Fort Stockton Economic Development Corporation, presenting sponsor of the road safety luncheon.

**277**

Fatalities in Permian Basin in 2022

**\$4.8 million**

Life-saving equipment donated to first responders since 2020

**246**

Permian Road Safety Coalition partners



# INDUSTRY NEWS

## TIPRO RELEASES ITS 2023 STATE OF ENERGY REPORT

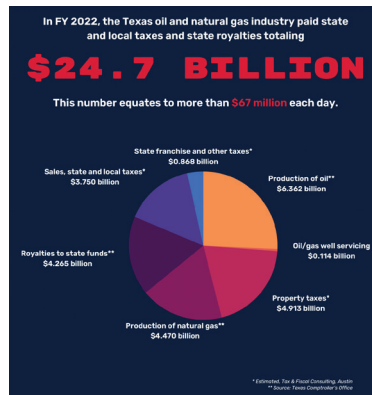


The Texas Independent Producers & Royalty Owners Association (TIPRO) released its [2023 State of Energy Report](#), which explores the economic impact of the nation’s oil and natural gas industry from the standpoint of employment, wages, payroll, businesses and production. In 2022, total direct Gross Regional Product (GRP) for the Texas oil and natural gas industry was \$323 billion, or 16 percent of the Texas economy. Natural gas production in Texas reached a new record, with more than 11.2 trillion cubic feet (Tcf) produced in 2022.

The report highlights the vital role natural gas will continue to play in powering the nation, the industry’s reduction in methane emissions and flaring, a drastic increase in LNG exports to Europe and the need for an expanding pipeline infrastructure to satisfy energy demands.

According to the report: “High electricity prices are also tied to the need for pipeline infrastructure to ensure the United States can achieve its energy security goals. In the case of rising electricity prices in the Northeast and New England regions, lack of adequate natural gas delivery systems are leading to the adoption of more costly alternatives such as imported LNG or fuel oil to meet demand. In these scenarios, because of fuel adjustment clauses, expensive costs are passed on to customers in the form of higher bills. To address this, the area needs to invest in pipeline infrastructure to increase access to cheaper fuels that minimize surges in costs.”

## TXOGA REPORT CHARTS ENORMOUS OIL AND NATURAL GAS CONTRIBUTION TO TEXAS ECONOMY



In its [Annual Energy & Economic Impact Report 2022](#), TXOGA reports that in FY 2022, the oil and natural gas industry contributed a record-breaking blockbuster year for tax revenue to the state of Texas.

The Texas industry paid \$24.7 billion in state and local taxes and state royalties – the highest total in history – shattering the previous record by 54 percent of just over \$16 billion set in 2019. This revenue from oil and natural

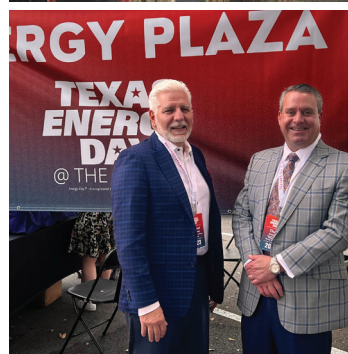
gas production, pipelines, refineries and liquefied natural gas (LNG) facilities translates to roughly \$67 million a day, which pays for schools, universities, roads, first responders and essential services.

## HUNDREDS STAND UP FOR TEXAS ENERGY AT THE CAPITOL

Hundreds of supporters of the Texas oil and natural gas industry convened at the Capitol on March 7 to demonstrate the industry’s power as a key player in the Texas, national and global energy markets. Visitors enjoyed a morning program of key speakers, including Lt. Gov Dan Patrick, RRC Chairman Christi Craddick, TCEQ Commissioner Emily Lindley, Texas Comptroller Glenn Hegar and Marathon Oil Chairman Dale Kokoski. This was followed by office visits to key legislative offices, where supporters met with staff and elected officials to showcase the importance of the industry to all Texans. TPA was an event sponsor.



TOP: RRC Chairman Christi Craddick addressed the crowd at Texas Energy Day 2023.



BOTTOM LEFT: TPA Chairman Vincent DiCosimo and TPA President Thure Cannon toured the many industry exhibits at Energy Plaza.



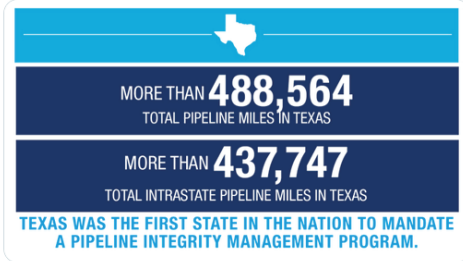
BOTTOM RIGHT: TPA Chairman Vincent DiCosimo being interviewed on the importance of Texas’ nearly 489,000 pipeline miles.

## TWEET THIS!

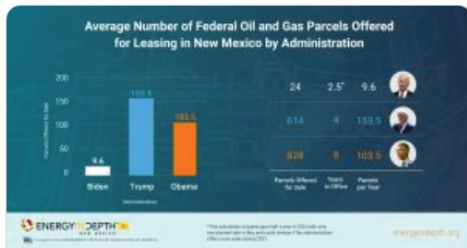
HELP SPREAD THE WORD. IF YOU'RE ON TWITTER, PLEASE TAKE A FEW MINUTES TO SHARE THESE PRO-INDUSTRY TWEETS!



**Texas Pipeline Assoc** @TexasPipelines · Mar 2  
Pipelines are for the public benefit and are an essential component of our modern #infrastructure. #Pipelines safely and reliably transport the hydrocarbons – such as crude oil, petroleum products and #natgas – that fuel our #economy. #jobs #taxes #xlge [bit.ly/3ZtISVn](https://bit.ly/3ZtISVn)



**Texas Pipeline Assoc** @TexasPipelines · Feb 21  
In addition to #energy, #oil & #natgas also propels states' economies forward by funding services like #education, #transportation and #workforce development, directly improving communities and contributing to the next generation of workers. #pipelines



Energy Industry Key for Workforce and Education  
The domestic oil and natural gas industry provides the United States and our allies with essential American energy to fuel everyday needs...



**Texas Pipeline Assoc** @TexasPipelines · Feb 20  
Nearly 187 million Americans use natural gas because it is affordable, reliable, safe & essential to improving our #environment. Those numbers rise every year, making #natgas an indispensable part of our modern lifestyle. #pipelines #energy #Texas #xlge [bit.ly/3S8zapg](https://bit.ly/3S8zapg)



**Texas Pipeline Assoc** @TexasPipelines · Feb 13  
Report: Texas oil and natural gas industry breaks records in every category in 2022 #pipelines #xlge #Texas #infrastructure #taxes #jobs #economy #natgas [thecentersquare.com/texas/report-t...](https://thecentersquare.com/texas/report-t...) via @thecentersquare



thecentersquare.com  
Report: Texas oil and natural gas industry breaks records in every ca... (The Center Square) – The Texas oil and natural gas industry once again led the U.S. in oil and natural gas production and lowered ...

## TPA IN THE NEWS

BELOW ARE SOME RECENT MENTIONS OF TPA IN THE NEWS. NOTE: SOME PUBLICATIONS MAY REQUIRE A SUBSCRIPTION.



TPA Coverage: [Texas Energy Day draws a crowd](#), yahoo! news, March 7, 2023



TPA Coverage: [Vincent DiCosimo elected chairman of the Texas Pipeline Association](#), *Business & Industry Connection*, March 1, 2023



TPA Coverage: [Pipelines key to cutting methane emissions](#), *Odessa American*, Jan. 15, 2023



TPA Coverage: [Editorial: Take the money and plug. Orphan wells mess with Texas](#), *Houston Chronicle*, Jan. 12, 2023



TPA Coverage: [Vincent DiCosimo elected chairman of Texas Pipeline Association](#), *World Pipelines*, Jan. 10, 2023



TPA Coverage: [Texas Pipeline Association Elects Vincent DiCosimo as Chairman](#), *Pipeline & Gas Journal*, Jan. 9, 2023



TPA Comment: [Oil and gas industry lauds EPA decision to reverse course in Permian Basin](#), *Washington Examiner*, Jan. 9, 2023



TPA Coverage: [RRC Chief Christi Craddick balks at federal well-capping funds](#), *Houston Chronicle*, Jan. 6, 2023



TPA Comment: [Texas Oil and Gas Producers Provide a Look at Weatherization Techniques](#), *The Texan*, Dec. 5, 2022

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LP

**Keith Wall**  
CenterPoint Energy

**Jamie Welch**  
Kinetik

**Paul Williams**  
ARM Energy

## TPA 2023 BOARD MEETING DATES AND LOCATIONS

Thursday, April 13, 2023

San Antonio, NuStar

Friday, July 14, 2023

Austin, Omni Barton Creek

Thursday, October 5, 2023

Plano, Atmos' Vaughan  
Center

## THIS ISSUE'S CONTRIBUTORS

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**Phil Gamble**, The Law Office of Phil Gamble

**Don Lewis**, Duggins Wren Mann & Romero

**Michael Smith**, Permian Road Safety Coalition

**Allison Newsum**, Graphic Designer

## TPA COMMITTEE CHAIRS

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