IN THE PIPELINE

TEXAS PIPELINE ASSOCIATION NEWSLETTER

SUMMER 2026

FROM THE CHAIR

I hope everyone has had a great summer and found at least a little time to slow down, spend time with family and friends and maybe escape the Texas heat. As summer begins to wind down, it seems like a good time to look ahead at some of the changes taking place across our state and what they could mean for our industry.

It seems like you can't have a conversation about the future of energy in Texas these days without eventually talking about data centers. Their growth, along with artificial intelligence, advanced manufacturing and other large energy users, has brought considerable attention to the Texas electric grid.

There are plenty of opinions about the answers to those questions, and I don't pretend to have them all. But from the perspective of the pipeline industry, I do think there is an important point worth making. As Texas grows, the infrastructure that supports that growth has to grow with it.

Texas has a long history of welcoming new people, businesses and industries. What may be different today is the pace and scale of that growth. The discussion surrounding future electric demand involves generators, transmission providers, regulators, policymakers, customers and many others. It also involves natural gas.

Natural gas remains an important part of electric generation in Texas, particularly when electricity demand is high. Conversations about future electric reliability, therefore, also need to consider the infrastructure necessary to deliver fuel to generators reliably.

The relationship works both ways. Our own industry relies on electricity to operate compressors, pumps, controls, communications, monitoring equipment and other critical infrastructure. The electric and natural gas systems are increasingly interconnected, with reliability in one affecting reliability in the other.

New electric generation may require additional transmission. New gas-fired generation may require additional pipeline capacity. Pipeline facilities need reliable electric service. All that infrastructure takes time to plan, permit, finance, construct and place into service.

For those of us in the pipeline industry, this is an opportunity to make sure our perspective is part of the broader conversation. We understand what it takes to build, maintain and safely operate critical infrastructure, and we know reliability requires planning long before the need becomes urgent.

We don't have to predict exactly what the Texas energy landscape will look like 10 or 20 years from now to recognize that it is changing. Technology will change. Markets will change. Demand projections will change. And the solutions Texas ultimately chooses will likely include a combination of resources and technologies.

As always, thank you for your continued support of TPA and for the time, expertise and perspective you bring to our association. The strength of TPA comes from the involvement of our members. I greatly appreciate your willingness to work together on the issues that affect our industry and the state we serve.

I look forward to seeing many of you at our upcoming TPA meetings and events and continuing these conversations as we head into the fall.

Shelli Myers, WhiteWater Midstream
Chair, Texas Pipeline Association

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PRESIDENT'S MESSAGE

Friends,

It has been a busy and constructive summer for TPA! Our July board meeting at Hyatt Lost Pines was a success. It was productive to gather with board members to discuss the many issues affecting industry and to deliberate on the policy initiatives that are coming to the forefront for the upcoming Texas Legislative Session this January. A big thank you to everyone who was able to attend. It was great to visit with so many colleagues and family members at that gorgeous resort!

This summer has been packed with interim legislative committee hearings on important industry issues, such as statewide electric demand, infrastructure development and the policy decisions that will address Texas' energy needs. These issues will be a large part of the legislative agenda for the upcoming session, with TPA actively involved in many of them.

The pipeline industry is essential to meeting the energy needs for the state of Texas and must be considered whenever seeking solutions for affordable and reliable energy. While not directly related to some of the current discussions regarding data centers and the placement of additional transmission lines throughout the state, pipelines share a vital role in transporting the fuel to make those projects work. Our facilities require the use of the electricity that will become available. TPA has been actively advocating to advance the infrastructure needed to continue boosting the Texas miracle. We will continue to engage in upcoming developments.

As you may have noticed on your television sets and radio stations, we are in the middle of an election year. At the top of the ticket, Texas has a U.S. Senate race pitting Attorney General Ken Paxton against State Rep. James Talarico. This race will be heavily funded for both candidates and will more than likely have repercussions for down-ballot races. Polling for this race highlights the competitive nature of the campaigns and it, like every political race, will be determined on which constituencies show up at the ballot box. The down-ballot races are not as predictable as in the past, due to the myriad of issues – such as data center development and electric infrastructure expansion – that seem to be splintering traditional constituencies. TPA, through its Tex-Pipe PAC, will maintain its laser focus on the elections, continuing to support candidates who share our industry's values of a strong energy economy. I encourage you to get involved in the upcoming elections, either through a contribution from your PAC, or by contributing to Tex-Pipe PAC. But the most important thing is to make your voices heard this election through your vote and by encouraging your fellow industry employees to do the same. TPA will participate in various industry Get Out the Vote efforts. Please reach out to us if you are interested in your company doing the same.

We look forward to seeing everyone at our next board meeting, which is in Dallas on Oct. 8. ONEOK has generously offered its meeting space in downtown Dallas. The meeting promises to be chock full of useful information as we get closer to the next Legislative Session. We are grateful for the input our member companies provide and for the expertise our members share on the issues facing our industry. By working together, we have created a strong association that is focused on the very issues that help shape our state and even our nation. Thank you for your and your company's continued support. We look forward to making our association even stronger in the coming years.

Always reach out when we may be of assistance. I wish you and your families all the very best!

Thure Cannon

TCEQ SEEKS TO DEMONSTRATE THAT AIR QUALITY ISSUES IN TEXAS ARE ATTRIBUTABLE TO INTERNATIONAL EMISSIONS

By Don Lewis, Balch & Bingham, LLP

Under Section 179B of the Clean Air Act, a state may develop and submit to the U.S. Environmental Protection Agency (EPA) a demonstration showing that a nonattainment area in the state would have attained a National Ambient Air Quality Standard (NAAQS) were it not for emissions that came into the area from outside of the country.

If EPA agrees with the state that a nonattainment area's subpar air quality was caused by international emissions, then the area may qualify for regulatory relief, on the ground that an area should not be punished for emissions that it had no ability to control. That relief might include avoidance of the requirement to provide a SIP attainment demonstration; avoidance of a "bump-up" reclassification to a higher classification of nonattainment status; and avoidance of additional regulatory requirements that come with a higher classification, including local sources' obligation to pay "failure to attain" fees under Clean Air Act Section 185. Avoidance of Section 185 fees is a major potential benefit, as those fees can be assessed on a per-ton basis directly on major sources of VOC and NOx in Severe and Extreme ozone nonattainment areas and can amount to a substantial amount of money.

TEXAS HAS RESCINDED THAT VOLUNTARY BUMP-UP AND IS SEEKING VARIOUS FORMS OF SIGNIFICANTLY BENEFICIAL RELIEF.

On July 2, 2026, the Texas Commission on Environmental Quality (TCEQ) submitted five separate Section 179B demonstrations to EPA. Two pertained to the Dallas-Fort Worth (DFW) and Houston-Galveston-Brazoria

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(HGB) ozone nonattainment areas under the 2008 eight-hour ozone NAAQS, while three more pertained to the DFW, HGB and Bexar County ozone nonattainment areas under the 2015 eight-hour ozone NAAQS.

In those demonstrations, TCEQ is attempting to show that those areas would have attained federal standards as expressed in the NAAQS but for emissions emanating from outside United States borders. The demonstrations are detailed and highly technical, using modeling and other scientific data to show that monitors in Texas' ozone nonattainment areas were significantly impacted by international emissions. Should EPA approve the demonstrations, TCEQ is requesting the following regulatory relief:

- For the DFW and HGB areas under the 2008 NAAQS, TCEQ requests (1) avoidance of Section 185 fees; (2) avoidance of reclassification to a higher classification of nonattainment status; and (3) recission of EPA's November 2022 action reclassifying DFW and HGB from Serious nonattainment status to the more stringent Severe status.
- For DFW and HGB under the 2015 NAAQS, TCEQ requests (1) avoidance of reclassification to a higher classification of nonattainment status; and (2) rescission of EPA's July 2024 action reclassifying DFW and HGB from Moderate to Serious nonattainment status.
- For Bexar County under the 2015 NAAQS, TCEQ requests (1) avoidance of reclassification to a higher classification of nonattainment status; and (2) rescission of EPA's July 2024 action reclassifying Bexar County from Moderate to Serious nonattainment status, as well as EPA's November 2022 action reclassifying Bexar County from Marginal to Moderate status.

TCEQ has asked EPA to prioritize approval of the DFW and HGB demonstrations under the 2008 NAAQS, because they involve potential avoidance of impending Section 185 fees and thus are the most time-sensitive.

WHAT IS CLEAR IS THAT TCEQ HAS TEED UP A SET OF ISSUES THAT ARE POTENTIALLY VERY IMPORTANT TO COMPANIES THAT OPERATE IN AND AROUND DALLAS-FORT WORTH, HOUSTON AND SAN ANTONIO.

Associated with TCEQ's efforts was a July 6, 2026 letter from Gov. Greg Abbott to EPA Administrator Lee Zeldin. In that letter, Gov. Abbott rescinded his October 2023 request to EPA that DFW, HGB and Bexar County be voluntarily reclassified from Moderate to Serious for the 2015 ozone NAAQS. In his July 6 letter, Gov. Abbott explained that prior EPA actions and policies had left Texas no choice but to pursue voluntary reclassification in 2023. Now, under new EPA leadership and a different federal approach to development and assessment of Section 179B demonstrations, Texas has rescinded that voluntary bump-up and, as stated above, is seeking various forms of significantly beneficial relief based on TCEQ's submittal of Section 179B demonstrations for the DFW, HGB and Bexar County nonattainment areas.

EPA is now charged with reviewing the various Section 179B demonstrations and, if EPA approves, the agency will also need to decide what relief should be granted as a result. There is no certainty as to how EPA will view TCEQ's submissions or TCEQ's requests for relief. Similarly uncertain is the timing of any response by EPA. What is clear is that TCEQ has teed up a set of issues that are potentially very important to member companies that operate in and around Dallas-Fort Worth, Houston and San Antonio. We will keep members apprised of developments as they occur.

FROM THE RRC TO THE CAPITOL: TEXAS ENERGY ISSUES MOVE TO THE FOREFRONT

By Anne T. Billingsley, ONEOK, Inc.

- The Texas Railroad Commission hosted its annual Regulatory Conference in early July with record attendance. The Commission works throughout the year on this conference for company representatives to have access to staff in most divisions on regulatory matters, hosting sessions pertaining to a variety of issues. With a sold-out crowd, more than 1,200 industry participants attended seminars, 'meet and greets' and the largest exhibition hall to date. The program was a huge success for attendees. Keynote speeches were given by Texas Railroad Commissioner Jim Wright and Texas House Energy Resources Chairman Drew Darby. This event is always successful and gets better every year.

GRID DISCUSSIONS HEAT UP

- Earlier this summer, the Public Utility Commissioners (PUC) approved a new set of requirements to keep data centers and crypto-mining facilities operating and required to bring their own generation. The Commission voted 5-0 to require data centers and other "large computational loads" overseen by ERCOT to stay online during temporary disturbances on the grid. Under the new

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rules, data centers could be ordered to disconnect from ERCOT – which handles about 90 percent of the state's power demand – if they trip offline during power disruptions.

- On July 29, the Senate Business & Commerce Committee held an interim hearing assessing Texas' electric grid. The committee met at length hearing testimony from regulators, generators, utility companies, large industrial consumers, landowners and concerned citizens. With the demand of data centers rising, the legislature is pressing for more reliability and confidence from ERCOT on load forecasts.

- Days following the hearing, Texas Gov. Greg Abbott directed the state's power regulators and grid managers to direct a comprehensive audit data centers seeking to connect to the main Texas grid. Projects subject to the audit cannot move forward until the review is completed, and those that fail to meet state and regulatory requirements will be denied connection to the Texas grid.

- In addition, the House State Affairs Committee held a hearing on Aug. 19 to discuss data centers and to "review the regulatory and planning processes regarding the proposed 765-kV transmission lines," including the expectations and impacts of the lines on private property. Lawmakers raised pointed questions about whether current regulatory processes and timelines adequately protect landowner rights, signaling that eminent domain is once again an active legislative issue. While the hearing focused on transmission infrastructure, the broader debate over property rights and infrastructure development is likely to extend to other industries, including pipelines.

- And finally, Gov. Abbott, Lt. Gov. Dan Patrick and House Speaker Dustin Burrows (R-Lubbock) directed state agencies, appellate courts and universities to reduce their base appropriation requests by three percent for the next biennium. State leaders characterized the directive as an effort to maintain fiscal discipline and provide flexibility for priorities such as additional property-tax relief. The move comes as lawmakers prepare for potentially significant future spending demands, including the state's new education savings account program, which is exempt from the reductions and is capped at $1 billion for the current biennium. The budget approved by lawmakers in May 2025 also committed a record $51 billion to property-tax relief, according to Senate leadership.

INDUSTRY NEWS

RRC REGULATORY CONFERENCE DRAWS RECORD ATTENDAMCE

The Railroad Commission of Texas (RRC) welcomed more than 1,100 attendees and over 60 exhibitors to its 2026 Regulatory Conference, held July 13-15 at the Kalahari Resort & Convention Center in Round Rock. The record-breaking event featured more than 90 educational sessions covering pipeline safety, oil and gas regulation, critical infrastructure, Class VI wells, incident reporting and other emerging regulatory issues.

The Texas Pipeline Association (TPA) attended the conference, which provided a valuable opportunity to engage directly with state and federal regulators, industry leaders and policymakers on the issues shaping Texas' pipeline industry. Highlights included remarks from RRC Commissioner Jim Wright, State Representatives Drew Darby (R-San Angelo) and Cody Harris (R-Palestine) and Pipeline and Hazardous Materials Safety Administration (PHMSA) Administrator Paul Roberti, who discussed the evolving federal pipeline safety landscape.

The conference continues to serve as one of Texas' premier forums for regulatory education, collaboration and dialogue, helping strengthen relationships between regulators and the industries they oversee while promoting safe, reliable energy infrastructure. The conference will return to the Kalahari Resort & Convention Center July 12-14, 2027.

TOP: RRC Commissioner Wright (left) and State Rep. Drew Darby, Chair of the Texas House Committee on Energy Resources **LEFT:** Paul Roberti, Administrator of the Pipeline and Hazardous Materials Safety Administration (PHMSA) **RIGHT:** RRC Commissioner Wright (left) and State Rep. Cody Harris, Chair of the Texas House Committee on Natural Resources.

EPA CLARIFIES FLEXIBILITY ON ROUTINE FLARING REQUIREMENTS

The U.S. Environmental Protection Agency (EPA) has issued guidance clarifying that existing federal regulations allow oil and natural gas producers to continue routine flaring of associated gas at new oil wells in limited circumstances beyond the May 7, 2026, phase-out deadline. The guidance responds to concerns that situations outside operators' control – such as delays in pipeline connections or infrastructure availability – could otherwise force production shut-ins.

EPA emphasized that the guidance does not change existing regulations but reaffirms flexibility already included in the 2024 OOOOb/c methane rule. The agency said the clarification will provide greater regulatory certainty while supporting continued domestic energy production as it undertakes a broader reconsideration of the rule. Click [here]() for further information.

COURT VACATES DUNES SAGEBRUSH LIZARD LISTING; NEW FEDERAL REVIEW UNDERWAY

On July 21, U.S. District Judge David Counts of the Western District of Texas approved a settlement agreement between the United States and the state of Texas regarding the status of the dunes sagebrush lizard under the Endangered Species Act. The agreement vacates the 2024 rule listing the lizard as an endangered species under the Act.

Under the agreement, the U.S. Fish and Wildlife Service said additional consideration is needed to determine whether the lizard meets the statutory definition of an endangered species. The Service anticipates completing a new finding within 24 months on whether the species warrants classification as endangered, threatened or neither.

The dunes sagebrush lizard's range includes portions of West Texas and southeastern New Mexico, including areas within the Permian Basin.

The July decision is being challenged. On Aug. 14, the Center for Biological Diversity filed a notice of appeal related to the delisting.

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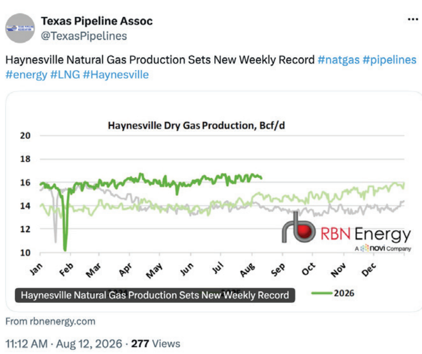

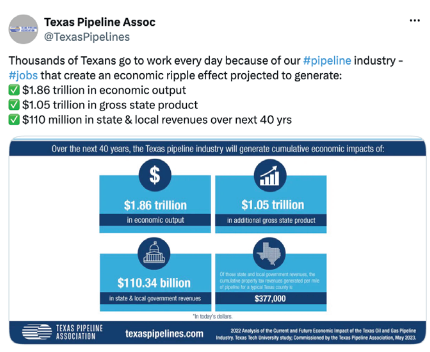

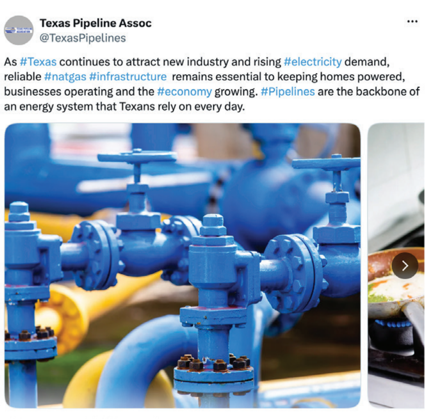

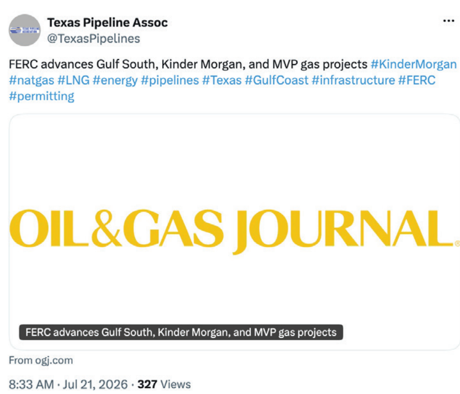

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TPA NEWS BRIEFS

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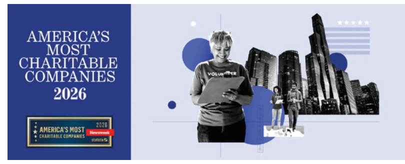

Congratulations to TPA member Western Midstream (WES) for being named one of *Newsweek's* America's Most Charitable Companies 2026. The recognition, developed in partnership with Statista, honors companies making a meaningful impact through employee volunteerism, charitable giving and community engagement. WES ranked 14th in the energy sector and 76th overall among the nation's top 300 charitable companies. The company credited its employees' commitment to service and community partnerships for earning the distinction and reaffirmed its commitment to creating opportunities to give back.

TPA 2026/27 BOARD MEETINGS

Thursday, Oct. 8, 2026	Dallas, ONEOK, Inc.
Friday, Jan. 8, 2027	Houston, C. Baldwin
Thursday, April 8, 2027	Austin, AT&T Hotel and Conference Center
Friday, July 9, 2027	Bastrop, Hyatt Regency Lost Pines Resort & Spa

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