



Implementation of House Bill 2847 Texas Hydrogen Production Policy Council Railroad Commission of Texas

January 11, 2024



Introduction



RRC Mission

- Our mission is to serve Texas by our stewardship of natural resources and the environment, our concern for personal and community safety, and our support of enhanced development and economic vitality for the benefit of Texans.



- SECTION 1:
 - Clarifies that the RRC has jurisdiction over pipeline transportation and underground storage of hydrogen.
 - Does not include jurisdiction over hydrogen production.
- SECTION 2:
 - Creates the Texas Hydrogen Production Policy Council.
 - The Council is established within the Commission to study and make recommendations relating to the Commission's policy framework for hydrogen energy development.

Commission's Current Jurisdiction



- Pipeline Safety Jurisdiction
 - Jurisdiction over intrastate hydrogen pipelines.
 - Ability to enforce federal regulations in 49 CFR Part 192 with oversight by the Pipeline and Hazardous Materials Safety Administration (“PHMSA”).

- Common Carrier Rates and Services Jurisdiction
 - Intrastate hydrogen pipelines are regulated as common carriers in Texas.
 - RRC has the ability to remedy rates discrimination through complaint-based regulation.

Commission's Current Jurisdiction



- Issuance of Pipeline Permits
 - Intrastate pipelines are required to file a T-4 Permit to Operate a Pipeline pursuant to Rule 3.70
- Underground Storage of Hydrogen
 - Permitting authority may depend on “type” of hydrogen involved.

Hydrogen Council



- Composed of “not more than 11 members appointed by the commission to represent as many different types of participants as possible....”
- The Chairman of the Commission is the Chair of the Council.
- In November 2023, the Commission delegated the ability to appoint the Council members to the Executive Director.
- In December 2023, members were appointed and received appointment letters.

Hydrogen Council - Directives



- Directives:
 - Shall study the development of hydrogen industries in this state;
 - Shall monitor regional efforts for the application and development of a regional clean hydrogen hub;
 - May coordinate actions with other state agencies to support an application for a regional clean hydrogen hub;
 - Shall develop a state plan for hydrogen production oversight by the commission.
- Shall make recommendations to the legislature relating to legislative changes needed for the oversight and regulation of hydrogen.

Hydrogen Council – Current Status



- 10 members representing the following entities:
 - Air Liquide
 - Baker Hughes
 - UT at Austin
 - Air Products
 - Chevron
 - Enterprise Products
 - Port of Corpus Christi
 - William Companies
 - CenterPoint Energy
 - GTI Energy

Hydrogen Council – Current Status



- First meeting was December 14, 2023.
- Goal is at a minimum quarterly meetings.
- Creation of Working Groups:
 - Infrastructure
 - H2 Hub - Gulf Coast
 - State Plan for H2 Production Regulation
- Work will culminate in a report to the legislature issued end of year 2024.



Thank you!

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