

COMMISSION SHIFT

**Public Input of Virginia Palacios
Executive Director of Commission Shift
Railroad Commission of Texas Open Meeting
December 16, 2025**

First, I'd like to acknowledge Chairman Wright's recusal at the last open meeting due to a personal financial interest. While this is the baseline we expect, we urge each commissioner to go a step further, including recusal based on campaign contributions. Ideally, Railroad Commission candidates would not take any contributions from executives of RRC-regulated companies.

Next, I'd like to thank Commissioner Christian for his remarks on the billions of dollars of 45Q tax credits that will go toward carbon capture and storage companies. Thank you for bringing your public remarks in line with your values. There is no cap on the 45Q tax credits, and the IRS lacks necessary data for auditing. Furthermore, nearly \$900 million in tax credits have been claimed fraudulently, and the IRS has not demanded that the money be returned.¹

Reflecting on the past year, we saw big achievements at the Railroad Commission that support public health and safety. The legislature appropriated a historic level of funding for well plugging, but also changed policy on inactive well plugging extensions. The commission also prepared guidance and new forms on its waste management rules. While the waste management rules show improvement, we will be bringing remaining concerns to your staff in 2026. Finally,

¹ Taxpayers for Common Sense. Feb. 13, 2023. 45Q Issue Brief – Nearly 90 Percent of Carbon Sequestration Tax Credits Based on Insufficient Reporting and Fraudulent Claims. <https://www.taxpayer.net/energy-natural-resources/45q-issue-brief-nearly-90-percent-of-carbon-sequestration-tax-credits-based-on-insufficient-reporting-and-fraudulent-claims/>

the Listening Sessions started in November are a welcome tool for public engagement and problem solving.

That said, I must underscore the importance of decision-making officials like you hearing directly from members of the public during Open Meetings. At Commission Shift, we prioritize the People of Texas, and we hope the RRC will adopt this same perspective. That's why we are still urging you to allow Remote Public Input through phone or video call. Adopting a Remote Public Input procedure would allow you to more easily hear Texans in oil and gas-producing regions, and better represent the people of Texas in your capacity as an elected official.

Lastly, this year EPA granted the RRC primacy over Class VI carbon dioxide injection wells, which you all signed an agreement to allow, and which will open the floodgates for more underground injection in Texas. While the EPA says the Railroad Commission is following all underground injection rules, we continue to see major earthquakes, well blowouts, leaks from unplugged wells, and expanding sinkholes. This makes it apparent that the existing rules are not strong enough.

We look forward to continuing discussions with you on these issues and more in 2026.