

Transcript: RRC Open Meeting

September 15th

[00:00:00] Good morning Neat. So we've got a full house. Glad to see everybody this morning All right. This meeting of the Railroad Commission of Texas will come to order to consider matters which have been duly posted with the Secretary of State for September fifteenth, twenty twenty-six. As a reminder, all persons attending today's meeting should conduct themselves with dignity, courtesy, and respect towards the commission, agency staff, and other persons in attendance.

Under our public participation policy, anyone desiring to offer public testimony on any items that are not noticed on today's agenda was required to register in advance by noon yesterday. We had eight people register in advance. The commission will consider items on the agenda as posted on the agenda and gonna start with item [00:01:00] number one

Good morning. Good morning, Chairman, commissioners. Uh, Christian Siano, administrative law judge with the hearings division. Item one is a motion for rehearing. This matter was dismissed for lack of jurisdiction. James Cook timely filed a motion for rehearing. Atmos responded. The motion does not dispute that the commission lacks jurisdiction, but seeks clarification on the appropriate venue.

Recommended that the motion be denied. The motion will be overruled by operation of law on November fifth. I'm available for questions. Thank you. Are there any questions? No, ma'am. All right. We had James Cook registered, but I believe he wasn't able to attend, as well as Louise Stevens for Atmos Energy.

Are there any questions of either of Miss Stevens? No. All right. I move that we approve the examiner's recommendations. Is there a second? Second. Okay. Which one of y'all scored first? It's good, [00:02:00] either one. Okay. You gotta keep up with it. Okay. All right. Second by Commissioner Wright. All in favor say aye.

Aye. Aye. Motion passes. That item's approved. Thank you. Item number two.

Morning, Chairman, Commissioners. For the record, my name is Ryan Rutledge, Administrative Law Judge for the Hearings Division. Item number two is an application by Luminant Mining Company, LLC, requesting phases

one, two, and three release of seventy-one point six acres within Three Oaks Mine, permit number 48C, located in Lee and Bastrop Counties.

The approved post-mine land use for the area is industrial commercial. Evidence in the record supports that Luminant has satisfied all requirements for phases one, two, and three release of the subject area as required by the Act and the coal mining regulations. Following public notice, no comments or requests for a hearing were received.

Luminant and staff are the only parties to the proceeding, and no [00:03:00] exceptions were filed to the proposed order. It is recommended that the request for phases one, two, and three release of reclamation obligations be approved, and that Luminant be eligible to reduce the amount of bond available for questions.

Thank you. Are there any questions? No, ma'am. I move we approve the examiner's recommendations. Is there a second? Second. Second by Commissioner Christian. All in favor say aye. Aye. Motion passes. That item's approved. Thank you. Item number three. Good morning. Good morning, Chairman and Commissioners. I am John McCulley, Administrative Law Judge with the Hearings Division.

Item number three is the application of Jewett Mine LLC for release of phases one, two, and three reclamation obligations on seven hundred and two point one acres, permit number 32I, Jewett Mine, Freestone, Leon, and Limestone Counties, Texas. The approved post-mine land use is pasture land. Evidence in the record supports that Jewett has satisfied all requirements for release of phases one, two, and three reclamation obligations [00:04:00] on the seven hundred and two point one acres as required by the Texas Surface Coal Mining and Reclamation Act and the coal mining regulations.

After public notice, no comments or requests for hearing were received. Jewett and staff are the only parties to the proceeding. No exceptions to the proposed order were filed, and Jewett seeks no reduction to the bond. Because disturbed areas in permit number 32I are bonded based on the worst case calculation method, an eligible bond reduction amount only exists for acreage once it is approved for phase three release.

It is recommended the application for release of phases one, two, and three reclamation obligations on the seven hundred and two point one acres be approved and that Jewett be eligible to reduce the bond by an amount

attributable to the released phase three acres in future bond adjustments. I'm available for questions.

Thank you. Are there any questions? No, ma'am. All right. I move that we approve the examiner's recommendations. Is there a second? Second. Second by Commissioner Wright. All in favor say aye. Aye. Motion, uh, [00:05:00] passes. Thank you. All right, item number four.

Good morning, Chairman and commissioners. For the record, I'm Arden Elliott, technical examiner for the Hearings Division. Item four is the application of ExxonMobil Low Carbon Solutions Onshore Storage LLC for the Rose Carbon Capture and Storage Project in Jefferson County, Texas, pursuant to Chapter five.

The Rose project will use three injection wells for permanent sequestration of carbon dioxide. ExxonMobil proposes to inject a total of fifty-three million tons of CO₂ into the Fleming and Upper Frio formations over a period of thirteen years. The application is protested by the Cheek Texas Community Association, who assert that the confining zone is insufficient to prevent migration of CO₂ out of the injection interval.

In addition, the protestants question whether ExxonMobil met all regulatory [00:06:00] requirements and whether water other than intervals designated as underground sources of drinking water should be protected. The examiners find that the application meets all requirements of Chapter five and the Texas Water Code will not endanger any oil, gas, or mineral formation, will protect groundwater, will not endanger human health and safety, and that the reservoir is suitable for protecting against the escape of injected carbon.

The examiners recommend the commission approve the application. Exceptions and replies were filed, as well as a request for oral argument. I'm available for questions. Thank you. Are there any questions of Arden? I've got, I've got some if you, if, if that's okay. Okay. And we've got several people that are here to, to...

on this case, so I thought we-- if you don't mind if I'd start with him. Um, okay, Arden, will you go through for me w- and clarify what you looked at and [00:07:00] what we're supposed to look at for a class six statutory and regulatory permit? What's the commission supposed to look at before we cl-grant this? Will you go through that one more time for me, please?

The, um, requirements for issuing a permit are set in both chapter twenty-seven of the Texas Water Code and in the commission Chapter five rules. Okay. All

right. And do they kind of generally relate, as I recall, as I understand it, to the protection of groundwater, human health, minerals, and ensuring CO₂ con-containment?

Is that gen-- Is that the general overview? Um, and I, I'm not sure if you said protection of freshwater, but, uh- Protection ... that as well. Those, yes, those are the, the core requirements, um, particularly in the Texas Water Code as well as in Chapter Five. Okay. And, and so does the water code or any of our criteria, commission's rule criteria inco-include a requirement for consideration of any financial, um, like federal tax credits or anything like that?

Is that [00:08:00] in, in the, the code or the rule? Uh, n-no, neither the commission rule or the Texas Water Code, um, require consideration of federal tax recor-- uh, tax credits, um, or incentives, and there was no discussion related to, to tax credits, uh, at the hearing record. Okay, that's what I wanted to clarify. Okay, thank you.

Are there any other questions of Arden at this time? All right. So we've got quite a few people who have registered. So I thought I'd go through the list. If you'll tell me when, who you want to hear from, we're happy to do that. Okay? So the following... And I'm just gonna go the whole list, you'll holler out or tell me at the end, however you wanna do.

Madam Chairman, I, I, I, I request that anybody that wants to talk, uh, since we are limited in the time to consider this, uh, I think I, I need to learn. And I think if you'd allow people to speak, I think it would be appropriate. I'm happy to do so. I just thought I'd go through the list. Some people have just registered- Yeah, if they want to

if they need more questions or not. Exactly. So yes, sir. Um, [00:09:00] so I'm happy to do that. Thank you for, for bringing that up. I'm fixing one, just a second. Got information that was wrong, so give me that. Give me a second. Okay. All right. Uh, for the following people are representing ExxonMobil and have pre-registered and are available for questions.

And please give me grace if I mess up anybody's name this morning. Dominic Genetti, Cody Todd, David Gross, Bruce Charlton, Sarah Stewart, and David Terry. Mike Ashton, representing Lindy, is pre-registered and is available for comment or question. Greg Goodnight and Ma-Marty Carroll, representing the CO₂ Coalition, are pre-registered and are available for comment or questions.

Peyton Campbell, who's the science director of Coastal Watch Association, [00:10:00] has pre-registered and is available for comment or questions. Jason Isaac, representing the American Energy Institute, has pre-registered and is available for comment or questions. Sarah Spikes has registered, uh, and she is related to the Cheek Texas Community Association's concern regarding the ALJ's recommendation.

Courtney Revels is here for Self & Healthy Gulf and is pre-registered and is available for comment or questions. Dolores Fontenot from Jefferson County is pre-registered and is available for comment or questions. And Michelle Turner from Cheek Texas Community Association, um, is available for comment or questions.

Um, that-- those are the people who all re-pre-registered. Is there anybody specific that anybody wants to hear from before we get started? You have an order, I don't care. I was gonna call up [00:11:00] the, for Sarah Spikes. She's-- these are people from the community. Is that okay? Mm-hmm. Okay, y'all let me know if you want to hear from Sarah.

So, Ms. Spikes, if you wouldn't mind coming up. Sarah Spikes, if she's in the room, or she may be in the overflow room. Oh, there you are. Um, if you will come up and please state your name for the record, and you've got three minutes, so if you'll just come up to the mic. Yes, ma'am. Thank you so much for being here.

A- and before you get started, I had you for public comment too, but I believe you really wanted to testify on this, so I'm gonna scratch you for public comment later in the agenda. Okay. Is that okay? Depending, um, but, but thank you. Because you can... If you're gonna talk about this, this is the only time for you to talk about this issue.

Okay. Okay. It gives me- Okay ... give you three minutes. If you'll state your name, please. My name is Sarah Spikes. I am a member of the Cheek Community, and my family owns property in both Jefferson and Hardin counties. For many residents, this discussion has never been simply about carbon capture and [00:12:00] storage.

It has always been about water, family land, and the responsibility to protect what has been entrusted to us by previous generations. As an education researcher, I often think about what it was, what is called the wait to fail approach. A problem was allowed to grow until the evidence of harm became undeniable, and only then was action taken.

Eventually, we learned that prevention is better than remediation. Many residents in Cheek fear that that same philosophy is being applied here. We're being asked to trust projections extending decades into the future, even though many assumptions cannot be fully verified until injection begins. We have a TCEQ report that has not been elaborated on, that talks about a thirteen-mile pressure front that can expand thirteen miles from the injection site.

Um, there's also just misinformation in terms of that's been, uh, shared in the public about how far the injection site is to the neighborhood. [00:13:00] Local media says two, uh, two miles. We clocked it on our cars at 0.8 miles from the nearest home

We have concerns involving groundwater pressure propagation, abandoned wells, emergency preparedness, or cumulative impacts that emerge years from now. Those cons-consequences may not be easily reversed. What makes this especially difficult is that many residents see themselves bearing this uncertainty while receiving few of the benefits.

This project is not expected to provide meaningful employment opportunities within our community. Not everyone who may have impacted may have-- be impacted have signed a lease. At the same time, Cheek taxpayers are being expected to support the development of this industry through significant public incentives, tax benefits, and federal subsidies.

From the community's perspective, many families feel that they are being asked to subsidize a project that many pr-- that may permanently change the future of the place that we call home. While ExxonMobil has utilized carbon c- uh, dioxide and enhanced oil [00:14:00] recovery for many years, many residents understand this project differently.

It's been described as a first of its kind project, and people naturally wonder whether Cheek or-- Cheek is being asked to become the template for how similar projects will be developed elsewhere. Are we going to be the test subjects? Are we gonna be the observational data? What keeps many families awake at night is that the R- uh, Rose may be only the beginning of much larger regional network of underground carbon storage projects throughout the Southeast Texas.

The geology beneath our feet does not recognize permanent boundaries, county lines, or property lines. And in terms of, um, safety, we have been, uh, told in so many ways that there's really no particular safety plan. That is gonna be shelter

in place. Um, we are very concerned about that, that the vehicles that Exxon did provide will not be operable in a CO2 emergency of significance.

Thank you. Thank you. Are there any questions? I, I have one, if you don't mind. Yes. Um, can you tell me [00:15:00] what community involvement ExxonMobil has given into your community, or what information, or h-how that has worked, that process has worked? So I wanna say that ExxonMobil s-- uh, they did have a, I wanna say back in June of two thousand twenty-four, first learned about this project.

Um, they had a meeting with the community. Um, a lot of residents were trying to understand, um- From my understanding, they had approached members that in terms of pore space that they were interested in. Um, I later found out that my particular home is in the buffer zone. I've, I've learned that other family, extended family homes are in the buffer zone as well as in the AOR, um, that have not signed, uh, lease agreements, pore space.

Um, community engagement, I, I wanna say that there was a follow-up, uh, meeting August of two thousand twenty-four. Um, they did begin, I can't think of what it's called, um, ACAP [00:16:00] meetings. Okay. However, those ceased, I wanna say, last summer of two thousand twenty-five once we got legal representation. Um, one of the things that we felt were not fair was that we had to be invited to be a part of this.

The community was not allowed to select whom they wanted to represent or to bring our own experts or scientists to sit at the table. Um, I did raise concerns with this, um, with their, I guess, third party, could be saying this wrong, Harrison Deville. I, I can't remember. Um, but in terms of that, and I think the last meeting that I can recall attending publicly with Exxon is when they had a fair at the, um Uh, precinct four, uh, community fair.

Um, that's where when I went to that fair, they did demonstrations. However, there were still questions about air wind direction. You know, you can't control that. Um, there are still questions [00:17:00] about whether, yes, this is a test operation, but what about in a real-world context? And speaking to our fi-volunteer fire department, they are severely understaffed.

They have expressed that multiple times since that. They recently expressed that this past week, they are severely understaffed. They don't have the capacity to evacuate anyone, and they're not even-- I don't even think they're, they, they would be even permitted to, and I can't necessarily speak to that.

Someone behind me may be able to do so. Um, but in terms of conversations, we have children who are on bus routes. We have people who normally travel through the area. There are significant concerns about that in terms of cross, um, county coordination, um, because our children would need to be. Uh, the way that Cheek is located, we sit at, at the intersection of three different school districts.

Right. So you kinda have to understand how that works. [00:18:00] Um, but you know, most importantly, we think about our water. We do have people that use well water. And again, without knowing what that thirteen-mile pressure front means. Because we don't have that data, we don't know what direction that's going to come.

We need to know if that's going to push the AR out. It would be relevant to know if the, if more people need to, if, if more poorly agreements need to be offered to the community. Having a community agreement, um, uh, I c- I can't think of what it's called, but some type of cr- community agreement package. We don't, we don't know.

But we are worried about our water because people use well water. Our livestock use well water. Okay. Thank you. Thank you[00:19:00]

for being here. I, I have one quick question if you want, Chairman. Sure. Um, you said the TCEQ had, had, uh, made you aware of that? That was part of the PFD. Okay. All right. Thank you. And that's what we're referring to, yes. Okay. Thank you. Any questions? Thank you for being here. Thank you

Okay. Um- Michelle Turner

And again, ma'am, I believe we had you at public testimony, but I think you wanted to testify on this. So yes, ma'am. Uh-huh

Madam Chair and members of the commission, I am Michelle Turner, representing my family from Cheek, Texas, Jefferson County. Public dollars should build communities up, not subsidize corporate projects that bring industrial risk to our backyards. We respectfully ask this commission to enact an immediate moratorium on Class six CCS permitting until comprehensive binding [00:20:00] safeguards protect the communities that would bear the consequences of these decisions.

This is not simply a technical permitting issue. It is a question of whether families who live near these projects will have a voice and enforceable

protection before decisions are made that could affect our homes, health, and property. Since June twenty-fifth, twenty-twenty-four, Cheek residents have raised serious concerns about the proposed ExxonMobil Rolle CCS project and its potential impact on our safety, water, property rights, and quality of life. Cheek is more than a location on a permit map.

It is a vibrant, multi-generational rural community where families raise livestock, garden, fish, ride horses, watch children ride four-wheelers, and [00:21:00] enjoy the peace and natural sounds of country life. For my family, this is about daily life, our home, and the ability to remain safe in the community we call home.

Sequestering contaminated CO2 underground carries serious risk, including possible leaks, health effects, water contamination, and seismic activity. CCS injection sites do not belong in established communities. That is why we urge you to pause Class six CCS permitting until strict enforceable protections are in place.

Those protections should include mandatory buffer zones for homes and schools, approval from at least eighty percent of the affected community stakeholders through a transparent, enforceable community approval process, [00:22:00] binding emergency protocols, safety equipment, trained first responders, a state CCS fund, and corporate liability for personal injury or property damage.

In a state as vast as Texas, targeting inhabited neighborhoods for experimental carbon storage is a choice, not a necessity. The time to protect communities is before-- is now, before failure occurs, not after families are left to live with the damage. We ask you to act now by putting enforceable protections in place before inadequate safeguards or delayed oversight result in preventable and irreversible harm.

Thank you for your time. Thank you. It is. Thank you for being here.

Right. Dolores Fontenot from [00:23:00] Jefferson County

She may be in the overflow room. I'm not sure

Okay, if she comes, we'll go back to her. All right, it's-- Those are the people from the community, I believe. Is there anybody else that y'all would like to hear from? You wanna hear from everybody? Uh, y-y-you tell me. Everybody

that wants to, yeah. Okay. Well, like I said, we've got comments or questions, so if you c...

This is what everybody said, so I don't know if you wanna- I don't wanna limit their testimony. I want, I want to hear. Well, is, is there anybody specific you wanna hear from? I'm happy to call up anybody. Uh, those are the people from the community that I, that I saw. Um, if there's somebody else you'd like to specifically...

I've got a, I've, I've got a couple questions from some other people, but you let me know. I'm, I'm open to whoever y'all want to hear from. Well, I have a SFA alumni here, Jason Isaac. I'd like to hear from him. Okay. If he's out. All right, Jason Isaac. That's fun. Jackson Jacks. That's got it Good morning, Chairman [00:24:00] Craddick, Commissioners Wright, Christian.

Thank you for the opportunity to testify. Thank you for your service. I'm Jason Isaac, CEO of the American Energy Institute. We're a trade organization representing American energy companies that unabashedly support free markets and oppose political agendas like ESG, decarbonization, and net zero. Our mission is simple: liberate American energy to advance the human condition.

I'm testifying in opposition to item four here today, and I want to explain this-- why this project should concern Texas taxpayers and ratepayers. Let's start with the Permian Basin. Exxon has committed to achieving net zero scope one and scope two emissions from its Permian operation, and Exxon tells us exactly how it intends to get there: electrification.

Here's what Texans should know. ERCOT commissioned the University of Texas Bureau of Economic Geology to study future electricity demand from oil and gas operations in the Permian Basin. But when ERCOT de-- ERCOT developed its r- uh, Permian Basin [00:25:00] reliability plan, it relied instead on an S&P Global forecast commissioned by six major oil and gas companies with ESG commitments, including ExxonMobil.

The Public Utility Commission approved just recently that four-- two, two lines, fourteen billion dollars, seven sixty-five-kilovolt transmission infrastructure that Texas ratepayers will now be on the hook for, not the companies that say they need it. Think about that. A private company makes a voluntary, and it is voluntary, it's not required in law, net zero commitment.

Meeting that commitment requires electrification. That company helps commission a forecast projecting enormous electricity demand. That forecast is

then used in planning billions of dollars of transmission infrastructure, and ratepayers get stuck with the bill. Now we come to Rose. Exxon wants to build an enormous carbon capture and sequestration project in Jefferson County.

In another business whose economics are heavily influenced [00:26:00] by government incentives. And Exxon isn't a company struggling to find capital. Most recent quarterly results, Exxon reported a blockbuster fourteen and a half billion dollars in profits. If carbon capture is a good investment, Exxon has the financial resour-resources to make that investment.

The question is: why should taxpayers subsidize it? Especially when Exxon itself acknowledges in its SED-- SEC disclosures that government policy is important to the economics of its low-carbon business. The company has told investors that successful expansion of, of that business depends on supportive government policies and incentives.

Now consider the scale of Rose. This is where it gets interesting. Uh, Rose is storing approximately fifty-three million metric tons of CO₂ underground over thirteen years. During those same thirteen years, at today's rate, the world would emit approximately four hundred and eighty-one billion metric tons of CO₂.

Fifty-three million [00:27:00] four hundred and eighty-one billion metric tons. One of the things I learned at SFA on my-- one of my first days in sociology class was the teacher was ranting about government spending, and he says, "None of y'all know the difference between a million and a billion." And he gave us this example.

He said, "When you're born and a million seconds passes, you're eleven days old. When you're born and a billion seconds passes, you're thirty-two years old. It's an astronomical scope, and we're talking about fifty-three million metric tons compared to four hundred and eighty-one billion metric tons of emissions.

Rose would rep-- that's about one-hundredth of one percent that's gonna be stored here. Meanwhile, the Trump administration is moving in precisely the opposite direction. Yesterday, just a tremendous vi-victory for those of us that support affordable and reliable energy. In Houston, Administrator Zeldin and the Trump administration announced it was eliminating Biden-era greenhouse gas regulation that pushed power plants towards carbon capture.

And last year, [00:28:00] Energy Secretary Chris Wright terminated twenty-four Biden-era awards totaling more than three point seven billion dollars, primarily

involving carbon capture and other decarbonization projects. And the DOE didn't make that decision across the board. It conducted individualized reviews.

Instead, in its individualized reviews, found the projects failed to advance America's energy needs, were not economically viable, and would not generate a positive taxpayer return. That's a standard worth applying here because this isn't just about subsidies. It's about the continued misallocation of resources.

For years, government policy has directed capital, engineers, construction workers, steel and infrastructure toward decarbonization projects rather than producing and delivering more affordable, reliable American energy. We've subsidized wind, solar, batteries. We're spending billions on transmission to accommodate [00:29:00] electrification, and now we're subsidizing the capture and burial of CO₂, a trace gas in the atmosphere that makes up zero point zero four percent and is necessary for life on Earth.

At some point, we have to ask what all of those resources could have built instead. Natural gas, nuclear, coal generation, pipelines, refineries. We haven't started-- opened a new one in over fifty years here in this country. We're building the first one in South Texas, which is a great first step, but we need to continue that first step.

We talk constantly... Okay, I'm wrapping up right now, but that's all right. We talk constantly about energy affordability. This is the opposite of affordability. There is a principle here that should transcend politics. Government should not socialize the cost of private, politically driven commitments while corporations retain the profits.

Texas became an energy powerhouse by producing affordable and reliable energy. We should welcome Exxon investing its own capital in projects that make [00:30:00] economic sense, but taxpayers and ratepayers should not be underwriting corporate net zero agendas, whether through billions of dollars of transmission infrastructure or federal subsidies for burying CO₂ underground.

If Rose makes economic sense, let it stand on its own economics. Thank you. Thank you. Tim? Yes. Okay. Absolutely. Uh, Mr. Isaac, uh, you, you mentioned that carbon dioxide, this was somewhat of a false reality. Is carbon dioxide now a threat officially by the government? It, it's incredible the Trump administration is working to rescind the endangerment finding that was put in state by deep state bureaucrat- bureaucrats within the environmental public a- a, uh, so, uh, environmental public agency, EPA.

Forgive me. Um, this was not done by act of Congress. Now the Supreme Court has ruled, and so appropriately the Trump administration is re- is moving to rescind the endangerment finding. The endangerment finding says that CO2 posed a he- a, a harm to human health and the environment, and the opposite could not be more true.

It's necessary [00:31:00] for life on Earth. It's a trace gas in the atmosphere. Our planet is actually greening. There are reports of this. I, I question the leftists. Are their bumper stickers gonna say now save the deserts? Because we're actually losing deserts around the globe, uh, because of more CO2 in the atmosphere.

Man absolutely benefits. I tell people I live a high carbon lifestyle, and I think the rest of the world should too. Places that have high carbon emissions, that have a high carbon emissions per capita, have environmental quality, have environmental leadership, have economic prosperity. Those things go hand in hand.

We need more of that. There's seven billion people on the planet that live in poverty, that c- don't get to take what we take for granted on a daily basis. That's access to turning the lights on, to HVAC, air conditioning. That's access to clean and safe drinking water. We're number one in access to clean and safe drinking water in this country, and I think there's seven billion people on the planet that can take the key to ending poverty that we stand over and we produce more responsibly than anywhere else on the planet, and that you get the opportunity to regulate.

We can produce that key, get it around the world, and lift those last seven billion people on the planet out of [00:32:00] poverty, so they can live like the other one billion of us. Is, is the, uh, the economics of this, of course, and I'm an old banker and financial guy for fifty years, so it concerns me that we're sitting here.

I think the, uh, biggest threat to any democracy is hyperinflation. We're sitting at forty trillion dollars in debt, and, uh, you're telling me that this money we're about to hand to million-dollar-a-day corp- cash flow corporations, uh, will increase the, the national debt. But you're also telling me that right now the EPA, who has authority to declare what is a dangerous chemical, has agreed that carbon dioxide is no longer a dangerous threat to the environment.

Am I correct? Yeah, you're absolutely correct. Look, they, they... There's the EPA, the Clean Air Act regulates six criteria pollutants. We've become world leaders in clean air. We've reduced those nearly eighty percent over the last five

decades. In fact, during the COVID lockdowns, I heard a lobbyist in a building not far from here talking about how everybody should be mandated to [00:33:00] drive electric vehicles because we've cleaned up the air so much during the first two months of the COVID lockdowns because there were less than fifty percent of the cars on the road.

Well, having served in the Texas House and Environmental Regulation Committee, I knew we had air quality monitors around the city. So I went and ran the numbers, and during the first two months of the COVID lockdowns here in the city of Austin, the air quality got worse. It was negligible, but it didn't improve.

It actually got worse. And we-- So we-- I wind up publishing research with the Texas Public Policy Foundation when I was there, showing that we could take half the cars off the road, and our air quality doesn't change in this country. We are world leaders in clean air. Again, that's something that seven billion people would love to take for granted, but they don't get the opportunity because they don't have access to affordable and reliable energy.

And if you're right, if this project is approved, then it's gonna add about another four to five billion dollars in debt. It just keeps adding up. We've misallocated over a hundred billion dollars in resources and things that don't work when we need them most. We found that out during Winter Storm Uri, when a lot of companies have electrified their operations in [00:34:00] the Permian Basin, and the Permian Basin lost power And what happened?

Natural gas spiked big time. As you all know, we hit the record. Uh, and other states are feeling that. This is just not the way to go. Uh, it's gonna increase the cost for electricity. It doesn't do anything to reduce the cost of energy, and that's what we fight for at the American Energy Institute. Another question.

We, we've talked, you've talked the economics of it, uh, in your opinion of that, that this is a waste of, of taxpayer dollars. The, the other part of this is the safety part of is this... We, we are taking what evidently you're saying is a perfectly legal fertilizer, that if I understand correctly, is point zero four percent of the entire atmosphere, and we're concerned and take, taking billion dollars to put, to put it in the ground.

Does... Is there a threat that occurs when you take a bunch of, uh, perfectly good fertilizer and stick it in the ground? Is there a problem here? Incredibly dangerous in high concentrations. You know, you can enjoy a Topo Chico and

you're ingesting higher [00:35:00] concentrations of CO₂ than what's in the atmosphere, and you're not gonna spontaneously combust, I assure you of that.

Uh, I've testified in front of Congress to that, and they, they probably... some of the people wish I would combust. Uh, but in incredibly dense concentrations, it is extremely dangerous. It sets down low, uh, and there are reported instances ar-around the world of safety issues happening, and it's just for nothing.

It's a misallocation of resources. These companies should be investing in infrastructure that provides more affordable and reliable energy, not in these silly carbon caption projects that don't do anything to mitigate a changing climate. I mean, look, the UN has admitted just this year, its worst case scenario, RCP eight point five, uh, they withdrew that.

They, they... and they've called it business as usual. In early as two thousand and seventeen, you had scientists saying this RCP eight point five is completely impossible, it's implausible. It's something that I've known for a decade now as I've been studying the climate alarmist agenda. So the UN withdrew it.

The Intergovernmental Panel on Climate Change withdrew it earlier this year. I believe it was March or April. We pub-published a [00:36:00] website, uh, they know or they knew, they-knew.com, that goes into the misuse that's happened over the last decades since it was first reported as being implausible and the continued misuse, and we're nearing two hundred research papers.

Companies that still tr-stress test, insurance companies, I'll be testifying about this in the Senate later today. They still stress test on this implausible scenario that has been withdrawn by the Intergovernmental Panel on Climate Change. Financial institutions that loan capital and stress test on this, insurance companies.

Uh, so the, the, the agenda continues from those on Wall Street and the globalist elites at the World Economic Forum, but it should not continue here in Texas. We need to stop the misallocation of resources. Uh, and I encourage you to oppose this agenda item today so that we can get back to investing in affordable, reliable energy and, and stop what's really so pervasive in Germany and the United Kingdom.

Uh, their net zero agenda is wreaking havoc on their economies. I've [00:37:00] been told by the, by some of the representatives both at Occidental and by Exxon, our friends, that this was not to serve the needs of the American public at all. It was totally for potential future trade with international countries. So

we're sitting here trying to rule on an item that's gonna spend our grandkids' dollars.

My-- And then correct me if I'm wrong here, 'cause you, you've looked at this at your organization, Texas Public Policy, for years. So we're, we're using our grandkids' money to finance a marketing potential For big international corporations that are not a direct benefit to the citizens of Texas or the United States, and that's at their own admission.

And so my question is, are they wrong in what they've been telling me? Because I, I don't get the logic in what they're advising me that I'm doing here as a, uh, elected official representing thirty million Texans and spending their [00:38:00] money not for the benefit of Texas. So Yeah, yeah. I've, I've, I've talked to-- done a lot of radio this year talking about our two hundred and fiftieth anniversary, how great it is that we declared our independence from an empire that was taxing us, and we had no representation.

Uh, and here we are two hundred and fifty years later, and American companies based here in Texas are bending the knee to an empire, the EU. Uh, I had a piece published in The Hill yesterday, and I call out to Representative Craig Goldman, who I served with in the Texas House. You may have as well. Uh, he, he's got a Stop EU Overreach Act in Congress, and I would urge Exxon and the other companies that are pushing this net zero agenda to maybe redirect their efforts into getting that legislation passed because there are three different things that the EU does that impact American businesses.

They have to... It's the CSRD, CS3D, and CBAM, Cross-Border Adjustment or Carbon Border Adjustment Mechanism. The Corporate Sustainability Due, Due Diligence Directive, uh, and the Corporate Sustainability Reporting Directive are what those three acronyms stand for, and they are pieces [00:39:00] of EU policies that put pressure and, and really force American companies that are selling products into the EU to comply with those agreements.

And in order to do that, they have to meet the EU's net zero commitments. So we, we are-- I, I would argue that we are, are-- we're sacrificing our independence as a country if we are having businesses here comply with foreign treaties or comply with foreign dictates from companies or countries like or, or I guess unions like the EU.

Okay. Thank you. And, and I apologize. I could talk to... Since you're from the, the top school in the state of Texas- Yes ...that, uh, the brilliant testimony that you're giving and, uh- Carbon storage right there. You got forestry. I mean, what

a great industry and- That's right ...CS policy. Yeah. You know, just, uh, does that-- the, the good Lord seems to take care of problems, doesn't he?

And, and, uh, we have to have a little of that. Uh, so I'm, I'm getting from you that economically it, it is an investment by our taxpayers for a purpose that... Last question, will this increase the [00:40:00] cost of any products to America and Texas? Yes, it does. First of all, you have what's going on with the, the seven sixty-five kilovolt lines, the hydro voltage transmission lines, fourteen billion dollars that ratepayers are gonna be on the hook for.

This increases the cost of energy because it is a misallocation of resources, and that really comes down to a theft of property rights for private property. A lot of people look at private property as the land that they own, but think about the money that's in your wallet, the investments that you have, and if those are degraded, or if you're forced to pay more for energy, or you're forced to pay more for electricity because of political agendas, then your private property is being stolen.

Uh, and I think that's what we, uh, we should be looking at, is protecting people's private property rights by having good policy in places that reward companies not for choosing political agendas, but for choosing affordable and reliable and American energy that actually lowers the cost to consumers.

Let's give people more private property. Let's give them more money. And you can do that, uh, here, and this project absolutely does not do that. It is [00:41:00] unaffordability, uh, and we need to be focused on affordability. You know, one thing that, that always amazed me is that, of course, President Joe Biden was, uh, not for oil and gas, to say the least.

I mean, that was his justifiable position, and con-- a lot of people are against him, a lot of people are. But I remember in his second remarks after the first State of the Union a couple months later, he commented, he said, "We are twenty percent of the world's environment. If we do everything right, it will make no difference."

And I'm just astounded by-- that we continue as the United States, the cleanest industrial country, Texas, the, the grassroots of forty percent of the production, fifty percent of the production, cleanest in the world, that we're gonna take my grandkids' money, put it at a project that represents a fraction, um, um, of the, of the environment.

And that means if we, if we killed every human, shut down every factory in the entire United States, it would affect only twenty percent of the world's atmosphere. [00:42:00] Just think, and we're gonna waste taxpayer dollars and turn this value. Yeah, we produce energy more responsibly than anywhere else in the planet.

I've testified in front of Congress of all the technology the Chinese steal from us. It'd be nice they would utilize our pollution control technology. They don't, and that actually impacts our, our air quality. Sixty percent of the pollution in Southern California is Asian air pollution. It makes its way as far, uh, as all the way to Houston.

So it's Asian air pollution. We-- Again, we're world leaders, and that's why during the first Trump administration, I advocated for what I call the Pittsburgh Accord. It's calling on our trading partners to meet air quality standards that improve human health, not focused on silly things like decarbonization.

Uh, I'm, I'm hopeful maybe in the second administration or hopefully advanced administration, you know, we'll get the Pittsburgh Accord passed and really call on trading partners to clean air quality up. It improves human health. We've gone way beyond that here in the United States. Thank you, Mr. Harrison.

Thank you, Chairman. Thank you, commissioners. Is there anybody else you wanted to hear from? Is there anybody else you wanted- Are any of the folks from Exxon gonna- I, I would like to have David Gross come [00:43:00] up, please. David, if you don't mind

Do you have any questions of David? Yes, yes. You wanna go first? Go ahead. See what his testimony is. No, he's not gonna testify. He's not gonna testify. We're just asking him for questions, so. Okay. Mm-hmm. Mr. Gross, if you'll just state your name, please. Yes. Good morning, Chairman, commissioners. Mm. Uh, David Gross, representing ExxonMobil Low Carbon Solutions Onshore, Onshore Storage, and I registered to answer any questions, and I'll be very happy to do that.

Okay. Thank you, David. And if you're not the right person of the group, David, and you can't answer it, we'll call up who you believe the right person is. Thank you. David's your lawyer for the, on the- Uh-oh, he put me in-- I gotta watch he'll put me in jail. Yeah, that's right, he might. Lawyers are not trusted.

But, but he's the lawyer, he's the stated lawyer for the case, so I thought we'd start with you. Certainly. And, and Chairman, I would point out, I am the, the

hearing, uh, this hearing involved Chapter twenty-seven of the Water Code, Railroad Commission Chapter Five of the [00:44:00] Texas Administrative Code, the, the Class six rules.

Yes, sir. So a lot of what has been discussed up until this point- Chapter twenty-seven of the Water Code, Railroad Commission Chapter Five of the Texas Administrative Code, the, the Class six rules. Yes, sir. So a lot of what has been discussed up until this point- Chapter twenty-seven of the Water Code, Railroad Commission Chapter Five of the Texas Administrative Code-- twenty-seven or, uh, chapter five will be addressed, then he can certainly address those questions.

Great. Thank you. Okay. Then my question would be, uh, from what you've just discussed, is the fact that, and I understand what you're saying, that technically, we can only address issues regarding the testimonies and case that was presented, legal talk, right, in the case, and anything else is not appropriate, not applicable, and not to be enforced.

Is that your opinion? Well, yes, and this goes back to the [00:45:00] principle of Magna Carta. I don't know if you appreciate history. I'm a little bit of a history buff, which established the proposition that even the sovereign is subject And the Railroad Commission is subject to law. And of course, you know, Commissioner, that the EPA established the Class six program.

The Railroad Commission applied for primacy, and I believe that took about nine, ten years for it to be realized, and it was, uh, realized on, I think, November twelfth of last year. This application was already pending, and Exxon, like all the other, uh, folks applying for CCS projects at that time, the advice was proceed on two tracks.

Apply at the EPA, apply at the commission, 'cause you, you don't know when primacy's gonna be approved. [00:46:00] And interestingly, EPA approved all three, in all three wells in this project, they were approved in three separate EPA dockets. Your UIC section reviewed and approved administratively in one docket, all three wells, this entire project.

So we have now had EPA approval, UIC administrative approval, four days of contested hearing, exhaustive briefing, exceptions, replies, and here we are. Uh, so that's, that's the background. And, and, uh, I, I heard a lot this morning, and I hope I get the generous three minutes that your fellow, uh, Stephen F. alum got, uh, it, to address things.

But just some concerns, uh, response to some concerns. One, [00:47:00] Commissioner Wright, I heard you ask about the TCEQ statement about what's this thirteen-mile pressure. TCEQ has one role in cha-- in class six wells. The commission is to ask it whether approval of a class six application might impact any class one hazardous waste disposal well under TCEQ's jurisdiction.

That's TCEQ's job. TCEQ wrote to the commission, said it won't impact any Class one wells. There aren't any Class one wells. They also made a statement which was interesting. It said, "In a thirteen-mile area of, uh, increased pressure, there are no Class one wells." TCEQ didn't elaborate on how it came up with that thirteen-mile area.

Interestingly, if you go to their [00:48:00] website, they have a page saying, "Here's a link to the Easy Pressure model. This is what we use when we look at these Class six applications." The Railroad Commission on the other, both at UIC and through the contested hearing Had to determine the AOR, the area where pressure will increase to the point where it could raise a column of fluid from the injection zone up to USDW.

That is the AOR That is a much smaller area than what we... Frankly, we kind of scratch our heads about why- The reason I asked the question. About what exactly TCEQ was doing. [00:49:00] Yeah. The AOR is both that area where pressure would increase to the point where it could raise a column of fluid up to USDW. USDW is at fourteen hundred and fifty feet.

The injection zone is thirty-four hundred to eighty-six hundred feet. And the following comments all go to protection of usable quality water. This is a, factually, this is a remarkable application because it's not one zone, it's not one reservoir. Down at the bottom of that eighty-six hundred feet, you have two upper Frio sands, both about two hundred, two hundred and fifty feet separated by a shale.

Above the upper of those upper Frio sands, you have what we refer to as the famous, uh, uh, uh, shale, [00:50:00] uh, because it is a shale that is known throughout East Texas as a confining zone that has trapped over geologic time hydrocarbons to create oil and gas fields throughout East Texas. Okay? As the television hucksters say, "But wait, there's more," and there is more.

Above that two hundred and fifty foot shale, there are three Fleming zones. Above the Fleming is a over four hundred foot thick com- upper composite confining zone. It's actually thicker than that. The four hundred feet is the shale What Exxon plans to do is start deep, just like you would in any well operation.

They're gonna go to the deeper of those two upper frios. They're gonna start [00:51:00] injecting there. After three years of injection, they will do a seismic study. It was interesting, uh, Abbas Rod, petroleum engineer, testified to this. He said, "A seismic study will be able, just a seismic shooter, because the CO2 is less dense.

It's just like going to the doctor and drinking the contrast solution, and then they do a scan to look at your stomach or whatever." A seismic shoot will tell you exactly where the CO2 is. And so if at year three we see, gee, we're surprised where the gas is, they'll call it quits on that deepest zone and move up to the next upper Frio zone. The, i-in terms of there [00:52:00] was some talk about pore space.

Exxon will not put CO2 in the ground under any tract for which it does not have a pore space lease. Very interesting thing about the, uh, chapter five rules. Every year, chapter five requires what Cody Todd, one of the Exxon folks, I think describes perfectly as a pulse check. Every year, the Class Six permit holder must recertify the area of the AOR.

And remember, the AOR is pressure increased to raise water up to fourteen hundred and fifty feet, which is where USDW is here, and the associated-- a-and the actual CO2 itself. Okay, so it's the CO2 plus the area increased pressure. Every year, we have [00:53:00] to recertify it's correct, or we've looked at it, and we're doing continuous modeling, and it, it's expanded.

So we have to tell, report to commission, "Here's our new AOR," or certify that the old one is still correct. Similarly, every year, the Class Six permit holder has to certify to the commission that the good faith claim to the necessary property right is still current. In other words, uh, that gas has not gone to some place where we don't have a lease.

And the beauty I, I think of this project in my mind, it's almost like a five-story parking structure, you know. If we fill that lower floor quicker than we think we will, we'll just go up and, and successively develop the rest of the project. Let me [00:54:00] ask you this- Yes. Since you're not gonna testify, uh, the, uh, why are you doing this?

Why are you capturing CO2, a perfectly legal fertilizer that is not a threat? Why are we taking the time, the effort, all the details you're talking about? Why are you doing it? I have opinions, but I think I'd rather ask Mr. Jannetti to give you Exxon's opinion on that. And really, uh, I remember many years, many, many

years ago, uh, being in this position, uh, sort of at an impromptu oral argument on a case that happened at conference.

A group of people came up, stood, voiced concerns But obviously that's not evidence. It's not testimony in this case. Let me ask you this. You, you mentioned that you didn't believe we had the authority to go beyond what the hearings had had on, on [00:55:00] the subject, and that's traditionally been something. So just in, in a legal rep-- 'cause this has bothered me- Mm-hmm

by the time I got here. Uh, the TCEQ is appointed by the governor. It is a appointed branch, as is TxDOT, as a... You see no legal authority, we as a member of the administrative branch, as elected officials of thirty million plus Texans. I mean, when I served in the House, I represented one hundred and fiftieth of the state of Texas.

Okay? Shelby County. Yep. One hundred and fiftieth. Shelby, Nacogdoches, Sabine, uh, anyhow, that little poor East Texas district. And I, I-- that was one one hundred and fiftieth of the state, and that's adjusted by, you know, redistricting every ten years. And my question is, you believe that we have no more authority to protect the public and our, our, our sworn oath as elected officials of the state of Texas, and there are, there are I think twelve of us, twelve [00:56:00] people that are statewide elected officials in the state, and you deem we have no more authority to make a decision for the protection when we raised our hands and sworn to protect, defend the, the citizens of the state, that I can't make a decision about what is best for my, uh, uh, constituents of thirty million Texans that gave me this office?

Back to the Of being, if, if your complaint is that by following the law, following law Well, that's constitutional law Well, following the law, the Chapter Five regulations which the commission adopted That's policy Chapter twenty-seven of the water code, which is legislation. If that brings you to a result which you, for other reasons unrelated to Chapter twenty-seven, Chapter Five, [00:57:00] uh, think is contrary to public interest, Commissioner, I can't tell you how to vote.

You, you're a-- Is I'm a lonesome dove to an air, air- Okay, so we do, you, you do admit we do have that authority- Well, you're- -to make a decision ... you, you, you will vote, and you don't have to all-- As you know, commissioners often vote and don't explain the rationale for them. I'm a lonesome dove fan. You know, you're a free human being alive on the face of the earth, and, uh, you can make a decision.

I would say the agency, though If the facts satisfy the legal requirements for approval of the permit, if the commission were to decide for reasons that are not in evidence, that are policy reasons, uh, it decides to not approve it, I think you're, you're treading on shaky ground. And can I make just one more point?

And I still don't think I've exceeded your, your Stephen F., uh, fellow alum.

[00:58:00] Back to safety This is, this is just an amazing fact to me. We're all used to water disposal wells, saltwater disposal wells. Y'all approve them all the time. Saltwater is a non-compressible liquid. When you put it in the ground, it has a pressure impact Carbon dioxide is a compressible gas.

So the pressure increase it causes is much, much less than putting water in the ground. And carbon dioxide roughly 60% of it dissolves into the water that is in these zones. By the way, the water that is in these zones is roughly three times more saline than seawater [00:59:00] Sixty plus percent dissolves into that CO₂.

The roughly thirty-five, forty percent that doesn't dissolve, it gets trapped in the matrix of the rock These, these Wilcox, pardon me, these Frio and Fleming zones are present throughout the Texas Gulf Coast. Adam Coutte, Exxon Petroleum engineer's testimony was, they act as an infinite aquifer. So the net effect is the compressibility of CO₂, these huge infinite aquifers into which the CO₂ is being injected.

When, when injection ceases The net increase in pressure in those five zones will be a number that you could count on the fingers of both hands. [01:00:00] It's negligible. May I say, I think that you're, you're making a good example that I agree with, that the injection of this disposal water has created, has been a problem, has been, uh, debatably causing, uh, earthquakes, other problems, and we've been...

I think what you'll find, the industry, the, the government are all looking for ways to utilize this water and not inject it. And so I think kinda as if we're going after that problem by admitting it's wrong, admitting we shouldn't be injecting the water in there, which I agree, then how do we justify now putting a perfectly legal fertilizer in the ground?

I mean, that's, that's opposite of the direction of injection here. We're trying to get it out, government and industry, the water, and yet we're at the same time gonna replace it with CO₂, which is a perfectly legal and, and non-harmful fertilizer, and creating a poisonous pit that does not, not exist. So I think you're contradicting in your example here.

Well, Commissioner, I will... [01:01:00] I, I believe that this CO₂, uh, uh, the evidence overwhelmingly shows the CO₂ will be permanently stored. It is not gonna threaten groundwater, usable quality water, oil and gas zones, human health. Um, it complies with all the regulations. Okay. Thank you. I, I have a, I have a couple questions.

Yes. Um, so do you have other... Does ExxonMobil have other CO₂ dis- storage pla- in other jurisdictions? The te- Any place. Chairman, the testimony was that Exxon, worldwide Exxon, has stored more CO₂ than any other entity in the world. And how long? I don't, I, I don't have- I was gonna say, I found one that's forty years old, um, that's in New Mexico that I'm aware of, that I know somebody was part of permitting that [01:02:00] process years ago.

So, so there's some history. Have you-- Do-- Are you aware of any issues that we need to be, that this agency needs to be aware of in the testimony? I, I don't recall reading that. No, none. And a- as you know, Chairman, the com... CO₂ injection for tertiary recovery has been prominent since around the 1970s. I spent many years working for Hess on the Seminole-Chitinus unit, world's largest and most successful CO₂ tertiary recovery project.

Okay No problems there. So, so I'm gonna say this, and I think I'm, I'm not gonna speak for the other two, but I think we've all said this privately, I'm gonna say it publicly 'cause Exxon and the suits in the back of the room need to hear this. Do not show up again and not come here for seven years and show up and want something.

Do not do that. Do not do this to this community either. You better show up and be part of the community, [01:03:00] give them information, be there for their safety, give them a fire truck if that's what they want. Help this community, and don't show up at this agency or across the street when you want something next time.

Be consistent about showing up. We've had it with Exxon right now. So you are not-- have not done yourselves any favors, suits in the back of the room. So I appreciate you giving up and answering questions, but that is a real problem you've got to deal with. Not you, David, but your client has some real problems.

And so I'm, I'm-- like I said, I think we've all said it to you privately. I'm telling you publicly, do not do it to us again, 'cause you will not get a lot of sympathy or help again. And this community is concerned, and you hadn't showed up since they, since you put a lawyer-- they put a lawyer in place. That isn't the way it ought to work either.

So I get that Exxon likes to be cautious about their lawyer. They need to know what you're doing. You need to be in their community. You need to be having regular meetings, and you need to help this group. [01:04:00] And that is not just for Cheek. That is across this c- this state. You need to be part of-- Exxon needs to be part of the state.

We don't care you're the biggest one in the country. We care what you do in Texas. Thank you. Thank you very much for being here. Thank you, David. Are there any other questions of anybody else you'd like to- Yes, I'd like to, uh, get, uh, two people from CO2 Coalition, Greg Goodnight and Marty Carroll. Okay. Oh, Dolores?

Yes, ma'am. Can I do her- Sure, sure, sure ... earlier? Yes, ma'am. Thank you. We're, uh, I guess you're in the overflow room Yes, ma'am. If you'll say your, say your name please Actually, I'm not Dolores. I'm Natasha Martin. I'm the lawyer for Cheek Texas Community Association, and- Oh, hang on. Wait a minute ... and I'm, and I'm sorry.

Oh. I'm sorry, I'm sorry. You didn't- I'm sorry ... register early. I apologize. And so I'm sorry. We have a policy that if- Yes ... you haven't registered, then we're not gonna allow you to speak today. Well, with... Oh, I'm sorry. With Exxon's counsel having the opportunity to address you [01:05:00] on the record, Cheek's lawyer should also have that opportunity.

Yes, ma'am, but you didn't register is what I'm saying to you. So I have no, I have no sign-in sheet for you. Okay. I have no information. I'm not sure what happened to the registration. I'm happy to introduce myself on the record. You, you need to go register with her, and we'll talk about whether we're gonna let you re- Would, would like to- Testify

I have a quest- an answer to your question about it, though No, no. Okay. Thank you. Yes. But you have to go register, and we have to decide because we have a policy that you have to register. Okay. Thank you very much. I'm sorry. Greg Goodnight was one of them. Greg, if you'd like, come up please

I'm sorry, but Dolores is not here. One more time before we go past her. Okay, thank you. I'm sorry. Sorry, Greg. All right. Good morning. If you'll state your name for the record. Thank you very much for this honor to testify before you into your consideration of approval for this Exxon Rose project. I'm a retired chemical engineer with thirty years experience in the chemical industry and thirteen years in, uh, in Wall Street.

Greg, state your name and who you represent. Uh, [01:06:00] I am Greg Goodnight. I am from Pearland, Texas, and I represent myself. I am a part of the CO2, uh, Coalition also for full disclosure. But what I'm gonna tell you today is considered when C- what CO2 Coalition believes, but it's, uh, really my own personal testimony.

And I, I will say that, uh, I appreciate, uh, Mr. Gross's, uh, reference to Lonesome Dove. Um, uh, Charlie Goodnight is one of my ancestors. I'm gonna ask. He is, uh, my tenth generation great-grandfather, and Charlie Goodnight's grandfather were brothers. So be that as it may, I, I mean, if it-- it's hard to be humble if you're Texan, right?

Uh, I work-- would recommend that the, uh, TNRCC places a hold on the Rose Project approval based on several things. Number one, Trump's Executive Order fourteen-one fifty-four, Unleashing American Energy, dated one twenty twenty-five, which has further, uh, been clarified by the Office of Management and Budget in setting regulatory [01:07:00] policy for environmental factors.

One of the key issues that they addressed was the use of the social cost of carbon in setting regulatory policy and regulatory things. The-- What they've said is the social cost of carbon is so uncertain that you cannot use it properly for regulatory standards and for subsidies. Uh, I have, uh, uh, have a, a fairly lengthy write-up.

I will leave that to you. I'm gonna try to truncate my talk in the interest of time, uh, today. Uh, but, uh, my view is that the social cost of carbon, which has been the basis for the eighty-five dollar, uh, forty-five cube credit, is a flawed indicator of the potential harm that carbon would do. In fact, our viewpoint from the CO2 Coalition is CO2 is not only not a cost, but a net benefit.

So it [01:08:00] makes no sense to take CO2 to stick it in the ground, whereas i-if you put it in the atmosphere, it would be very useful Uh, let's talk about the social cost of carbon. Uh, in my written, uh, testimony, I show a diagram that, uh, basically tells you how it's calculated. It's basically models upon models upon models, assumptions upon assumptions upon assumptions, and quite honestly, you cannot quantitatively calculate a cost of carbon.

In fact, if you put in the agricultural benefits incru- including, uh, crop yield and slightly extended, um, uh, seasonal planting times, the carbon is actually a benefit. It's not a cost, but we believe it's, it's a net benefit to society. Uh, furthermore, if you look at the government, uh, it's been a political football.

The social cost of carbon in the Bi- in the Obama era was fifty-one dollars a ton. Uh, Trump lowered it to one dollar a ton. Biden looked at it again [01:09:00] and said, "Look, we're gonna, uh, review this. Uh, we're gonna review the social cost of carbon," and, uh, he reaffirmed the, uh, Biden, um... or excuse me, the Obama, uh, cost of, uh, fifty-one dollars a ton, but then he had proposed like two hundred and thirty dollars a ton for the social cost of carbon.

This is a number that justifies these e- environmental, uh, policies. Uh, in twenty twenty-four, like I said, uh, Trump issued the executive order, and he said we should not be using the social cost of carbon for setting, uh, policy. Okay, so let's talk about, uh, uh, carbon sequestration, taking carbon dioxide and putting it in the ground.

It is, uh, definitely a cost, and it's only justified, uh, by subsidies. The companies will only do it if they are subsidized. The cost is sixty to a hundred and twenty dollars a ton for typical carbon sequestration. The eighty-five dollars a ton sort of fits in the mid-range. It, it can be variable, [01:10:00] uh, according to, um, where you get the, the, the CO2 and how much it would cost to, uh, sequester it.

Thank you. The benefits are basically zero for putting it in. So it is a total cost to the taxpayer, and I would suggest with the debt topping forty trillion dollars and a annual deficit by the federal government of one to two trillion dollars, uh, a year, uh, that this is really a cost that we can avoid.

Jason Isaac has done a, a really excellent job in terms of summarizing the, uh, the cost and the implication. Uh, I would, I would suggest that the, y- you know, we're talking about, uh- Thank, thank you ... Texas and the federal government. If you'll wrap it up for us. Okay. We'd appreciate that. I am gonna wrap it up right now saying I, I suggest that we relook at this, and when the legislative does a redress of the forty-five Q, uh, uh, credit of eighty-five dollars, that's really when it would be appropriate.

Thank you very much for being here. Thank you very much. Uh, Marty Carroll[01:11:00]

Last name's actually Cornell I'm sorry? My last name's Cornell. Cornell. I'm sorry, that's not how they wrote it down for me, so I apologize for that. I can get a- You'll state your name and we'll get it right. I apologize. Yeah. They named the university after you, right? Yeah, they did. I apologize. I apologize.

That's not how they wrote it down for me. Okay. Okay. Okay. I guess they couldn't read your handwriting when you, when you registered, maybe. I did it online. I don't know, I'm just telling you what I got. Anyways. So I apologize. My name is- So thank you for being here. My name is Martin Cornell. I'm from Lake Jackson, Texas, and I thank you for the opportunity to address this issue.

Um, I'm a retired chemist with thirty-five years experience, uh, in the chemical industry, and for the past twenty-three years I have studied climate science including the role of CO₂ in climate, the biosphere and ocean chemistry. I'm also an active member of the CO₂ Coalition, who I'm representing today.

The process of pipeline transportation of carbon dioxide and deep well injection is well established and appears to [01:12:00] pose little if any hazards. On this I'm not a subject matter expert, but I do know that any leakage of CO₂ from this process would be welcomed by the surrounding biosphere for the boost in photosynthesis given by this gas of life.

Plants evolved when the atmospheric CO₂ level was three to five times the current level of the air. So plants are starving for more, not less carbon dioxide. This is why commercial greenhouse gases generate CO₂ to increase plant productivity. This is why the earth is greening due to CO₂ fertilization, and this is why removing CO₂ from the carbon cycle is counterproductive to living things.

So what justifies deep well sequestration of CO₂? They get paid eighty-five dollars a ton by the US taxpayer to do so if the source is industrial, and a hundred and eighty dollars per ton if the source is simply air. And it enhances tertiary oil recovery, which has long paid for itself [01:13:00] without subsidies.

Only now by the one great beautiful bill, Section 45Q, Q tax credit, they get subsidized to do so, and the taxpayers lose big time. The proposed ExxonMobil project is an illustrative example, targeted to inject five million metric tons of carbon dioxide per year, with a maximum total of fifty-three million metric tons over a planned thirteen-year injection period.

This adds up to a gift of four point five billion dollars of taxpayer money. For the United States, according to the IEA, carbon capture plan, uh, plan capture is headed to an additional one hundred and twenty-two point five million metric tons per year by twenty thirty-five. At eighty-five dollars per ton, this translates to ten point four billion per year or a hundred and twenty-five billion over the twelve-year life of the tax subsidy.

One wonders if the CO2 sequestration would continue after the [01:14:00] subsidies expire. I would ask that

of Exxon. Based on the experience of tax credits for wind, solar, and batteries, it is likely that ExxonMobil would expect continuing extensions of the forty-five Q tax credit, such is the nature of Congress. For the complex of the climate, uh, government NGOs, the removal of CO2 mitigates atmospheric warming.

This is a greenhouse gas of secondary impact to water vapor, contributing about ten percent of the greenhouse warming effect. The effect of greenhouse gases diminishes logarithmic such that a doubling of CO2, uh, from today's four hundred and thirty parts per million to eight sixty would add about one degree C warmth for the benefit of the biosphere.

We add about three parts per million of CO2 each year, measured, uh, at the Mauna Loa Hawaii Observatory or about zero point zero zero seven degrees C. Thank you very [01:15:00] much. That's a James Bond number. We like that number. So- Thank you. If you'll wrap it up, and we'd love to have your data if you- Yeah. I would suggest the credit is clearly corporate, uh, welfare, and we ask that you consider that when considering approval.

Thank you very much. And I do have more details. Before you call somebody else up, can we take about a three-minute break please? Yes. We're, uh... Can, can we do one more lady? Yeah. Okay. Give me the right one. Pretty quick. We're gonna take a break for just a moment. Thank you. We are in recess.

Coming in from the other room, which I-- we apologize for the technical problem

[01:16:00] ¿Vale? Kelly, you want me to start now, or y'all want- Yeah. Okay. I'm gonna get started. Okay, we're back on the record. Um, so we have, uh, Natasha Martin, who is the lawyer for Cheat Creek. She did not pre-register, but because we allowed the lawyer from Exxon to get up, you will have a few minutes. And so I think you have an answer to whatever question, and, um, if you'll be timely, we'd appreciate it.

Yes, thank you. You'll state your name. Natasha Martin for Cheat Texas Community Association. I'm also the chair of the State Bar's Administrative and Law Section, which is pertinent to this because you asked whether the commission has the authority to, you know, change the PFD, and you do. The Administrative Procedure Act gives you three reasons why you can change it,

and one very big one applies here today, whether the ALJ misapplied or misinterpreted the law, and I believe they did.

And that's all in the record. I'm not [01:17:00] giving you anything new. Um, but here we have two different definitions that have been considered one. Um, you have the geologic storage facility and the AOR. Uh, the permit should not be approved because the PFD treats these two different definitions as if they were the same.

So let me back up and, and talk about these definitions. The AOR is tied to the modeled plume and the defined pressure front, uh, which is the critical pressure sufficient to move water up the wellbore. But the geologic storage facility, which the statute requires that you guys assess, um, that is broader.

It includes the associated ele-- area of elevated pressure, displaced fluids, and then the surface above that region. The surface where Cheat Community lives. And so you heard Mr. Gross talk about a TCEQ letter, and he said he scratched his head. We did [01:18:00] too. We scratched our heads so much that we asked for a subpoena to bring TCEQ in as a witness, so we can ask them about their letter.

"What do you mean by this thirteen-mile pressure front?" And the ALJ did not enforce that subpoena. We never got them here. So we were only left with the face of the letter. And so that face of the letter says that fluids could move thirteen miles. But yet the PFD treats the AOR and the GSL as the same thing, and the AOR is much smaller than thirteen miles.

Um, I will also note that Railroad Commission staff only review the AOR when it comes to the groundwater availability unit review. Um, the GAU letter expressly limited itself to the AOR, but TCEQ identified this thirteen miles. So we asked them, because Railroad Commission staff, they did testify. We asked them, "Did you review the thirteen miles and the geologic storage [01:19:00] facility?"

And the witness could not define a geologic storage facility. So it is clear to us that our community is, will be impacted, and the, the review does not cover those impacts. The review does not cover the fresh groundwater that's up dip of those thirteen miles. These are errors in the PFD, errors in the law.

Going back to my animal train, you guys can deny this PFD based on those misapplied law. Um, there were other comments about the certified AOR. The certification is yearly, but the modeling only has to be done every five years.

That really makes the certification meaningless. Um, so I urge you to reconsider whether or not, uh, leased pore space is appropriate if you're only doing certification once a year.

Um, once it's injected, it's injected. Um, having an annual report is not going to do anything. [01:20:00] Um There's my buzzer. I- That's okay. I- You can go over if you want. Well, and I- No point. Of course, I'd like to see this denied because of those gaps in the record. Yes, we would have loved to have TCEQ here to testify on that letter.

Um, but like I said, the very minimum, you, one of, one of the authorities you have would be to remand it back to gather that evidence, to assess what the hell... I'm sorry, excuse me. I'm really hot. What's the geologic storage facility? Is it the same as the AOR? Because honestly, if you read the text of the statute and the rule, they do not read the same, and it is very important to compare that with the TCEQ's letter, and the record shows that the Railroad Commission staff didn't do that.

Thank you. Thank you. Very useful. Yeah, since you're on the state bar- Yes ... are you, uh, are you gonna have to jerk a license if somebody doesn't go like you want to? Hey, hey. What? What? What? But, uh, [01:21:00] Commissioner, I am not on the green- Oh, okay. ... I'm new, but I was just on the fun session. Uh, thank, thank you for your chatting opportunity this evening.

Thank you for being here. All right. Um, Arden, if you'll come back up, please, sir. All right. Does anybody have any further questions of Arden? I, I, I do. Um, I've heard concerns about this letter from TCEQ on, on thirteen mile front. Um, can you-- Are you aware of what the real detail is or more detail about that is?

Um, we do not know exactly why the TC- TCEQ letter, uh, mentioned the thirteen-mile radius. Uh, the TCEQ letter is just one part, uh, that, of the application that the applicant is required to provide. But, um, the TCEQ's letter does not have any other bearing, um, on the commission. Yeah, that's, that's where my confusion in all this is.[01:22:00]

Uh, uh, that's not really under their purview of what they were, they're supposed to do in this case. So I'm just wondering, have y'all seen something like that out of them? Uh, n- no. We, we did not, uh, resolve what it was that the TCEQ meant by that, but it, it did not, uh, really affect the commission's rules.

Thank you. Any more questions? I've got one more. Just to clarify one more time. Arden, um, procedurally for us in this, the way I read it, EPA, US EPA

allowed... Uh, they, they okayed this permit, right? Or three different parts of... I mean, three different. And then when we got primacy, they-- Exxon had to come back down here.

Is that correct? And now we're going through that process. But the current EPA administrator granted their permit initially. Is that correct? My understanding is that, um, [01:23:00] ExxonMobil did apply to both the EPA and the commission at the same time. Um, and the EPA did approve those permits in, I believe, October of twenty twenty-five, which was before the commission got primacy.

Um, and so then after we got primacy, we took over and, uh, continued with the, the final permits. Okay. Great. Thank you for that clarification. All right. Um, any other questions for her? All right. Any discussion, comments? Yes, I'd like to make some comments before we move to vote. Okay. Just to... You know, uh, commissioners, I appreciate the opportunity to, to, uh, serve with you and respect you tremendously, and I feel like I've done a disservice to you and, and to this.

We are sitting here today, and I've taken time over the years to make comments, uh, investigated a lot of different ideas on this carbon sequestration and CO2 being a boogeyman, and I think it's one... Uh, it's-- [01:24:00] I think the best title that you've all heard is The Green New Scam. The biggest two issues I think in the state of Texas that are not being discussed, one is that rural Texas is decaying, which is not a problem for us here today.

Uh, the other is, is we're moving toward a socialist-type system of government rather than free market, and this is the indicator here. When you have an industry that, uh, is moving toward, uh, the part that they're relying on government. For when I went to Energy Council up in Alaska, sat there for two full days listening to testimony to our top state legis-leg-letters that are in energy committees. I heard not one, one free market idea.

Every idea was, "Let's take some more money from the government. Here's a way to get more money. Here's a way you can get this. Here's a way you can get that." And that's scary. That is absolutely scary to me as somebody that was elect-- And I, and may I say, I, I know that, and I will read what I believe as far as on the record that I [01:25:00] disagree with, it's happened here.

But right now, I'm just kind of venting, and I apologize. After ten years here, I'm, I've not taken a lot of time to view my opinion, but I think I have a responsibility. I think these two other commissioners have a responsibility. It goes far beyond just doing whatever the agency tells us we need to do. I think

that's why you elect officials to go in and tell the bureaucrats that you don't want the bureaucrats running the government.

That's why we have elections. That's why you have representatives to give us the power, the authority to, uh, represent the citizens of the state who by and well don't have a lot of lobbyists, uh, that the industry does benefit from and who we enjoy and appreciate and help us out. But the lobbyists are us for the citizens of this state.

And my grandkids concern me of what the future holds if we continue just to spend more money, spend more money. They keep telling me that the in-the indecision that the industry that I visited with gave me on this [01:26:00] entire subject was, "Well, do you want Texas to have the money or do you want to go to some other state?"

That's it. That's the industry's bottom line, both from Oxy and Exxon. That's their bottom line argument. Here's all this money to... And by the way, may I say very, very clearly, I'm a fan of Exxon. I wouldn't be here without Exxon. I've got a picture I shared with the leaders. This is my dad in nineteen sixties with his Enco station in Tenney Hall, Texas.

I, I patched tires, I washed windshields, I worked, and that was back when it was Enco, and I have an Enco sign in my office. But as the chairman said earlier, I've never seen an Exxon person butt in my office in ten years. Okay? And I'm a fan, okay? I'm here because of the opportunity that they gave me. But then we talk about these things and, and I'm, I'm standing here, I'm looking at, uh, this is my little [01:27:00] brochure I have available, and I'm-- You may not have a copy.

Well. Lo-latest edition. It just came out a week or so ago. But I have them here, and you can-- anybody can get one, um, uh, but it talks about different issues, and this is, uh, me standing with then Energy Secretary Rick Perry, Governor Greg Abbott, at PetroNova in Houston, Texas, early in my time as your railroad commissioner, as we cut the ribbon and initiated the largest in carbon sequestration capture facility then in, in, in history in Houston, Texas.

Two to three years later, it went bankrupt But after Joe Biden passed the Inflation Reduction Act, guess what opened back up? PetroNO. Why? 'Cause my grandkids are paying for it, folks, and that concerns me. Uh, we watched government subsidies distort Texas energy markets before. They allow politically favored companies and technologies to profit [01:28:00] regardless of whether they provide affordable, reliable energy.

This is not capitalism, it's energy socialism. Government picking winners and losers. Not mandates and subsidies should decide whether carbon capture is economically sustainable. Carbon capture subsidies also fret smaller independent oil and gas producers. Largest corporations. Now, here are our friends, the large internationals.

And, and they're our friends. This is a family squabble. They're not enemies. They-- We, we-- I'm, I'm an Exxon fan. I wouldn't be here without them. All these big... But about seven big companies have ninety percent, nine times the lobbyist in this town and in Washington. And so when legislation is made in Texas, you can't say it's made for the benefit of Texas citizens.

It's made for the benefit of the shareholders of the major corporations that are international corporations. The majority [01:29:00] of those shareholders for which we're passing the laws are for the benefit of their shareholders, which they should be. But that's not the citizens of Texas by a large number.

Smaller operations may eventually be forced to buy carbon credits to follow a system they cannot afford, further consolidating the industry and driving independent producers out of business. Understand, there's no reason for the carbon capture. It's a legal fertilizer that's beneficial to mankind. But we're gonna sit here in this room, in this institution, where we've been given the authority and the blessing of representing the citizens of this state, and we're about to say, "Come on, big brother government.

Texas don't need free market competition anymore." And you're gonna see the cost of the products go up, 'cause anytime you had to add any processing whatsoever and claim it's carbon neutral or lower carbon, when what the hell do you care if it's lower carbon? Excuse the French. [01:30:00] What do you care if it's lower carbon if carbon's not a threat?

But we're gonna pay additional for it, and every can of fuel and every little product that anybody has that it made lower carbon will not sell as good off the shelf 'cause we have duped the public to believe there's something behind this. So you've just increased the cost and put little independents out of business because they can't afford to keep up with the big boys and claim lower carbon on their cans.

We've already seen this experiment fail at PetroNova. Speaking of the governor and Secretary Perry, I spoke with him this week and he told me he reared his opposition to carbon capture and storage. In fact, Governor Perry, I was with in

a meeting out with Secretary Wright, and Governor Perry was out in California at an event about two months ago.

And this weekend, of course, I was asking, uh, Governor Perry, you know, what his view was and could I say at this meeting that he was opposed to carbon sequestration and, uh, to share with you. Let her rip, my friend. [01:31:00] Bad policy. That's Perry, okay? Former governor and secretary of energy for the United States of America Furthermore, current Energy Secretary Chris Wright, and I visited with him now three, two times with him personally, once with his office this day before yesterday.

America needs to pro-- now here's his view, okay? America needs to produce more energy. Carbon storage projects do not generate a single megawatt of electricity. They consume enormous amounts of energy to capture, compress, transport, and inject carbon dioxide underground. At a time when Texas urgently needs more reliable power, taxpayers should not be subsidizing energy-intensive products that produce no energy themselves.

This is an energy drain. Got it? We're griping about the energy going to data centers and all this kind of stuff, and we're sitting here creating a new industry that shuts electricity, takes it, [01:32:00] produces no new, and takes enormous amounts of electricity to capture a perfectly legal fertilizer and create a poison that does not now exist.

Even the world's largest and most sophisticated carbon projects have met pressure. This is from Secretary Wright's office. This ain't me. This is our current national energy secretary. The record should make us cautious about assuming any model can guarantee what carbon dioxide will do underground for generations.

For example, and he gives these examples. You can look them up. I've got them for you. Georgian Chevron Australia is the world's largest carbon storage project injecting underground near Barrow Island. The fix creates its own problem. That said, the well's building a pressure management system where production wells pull formation water to relieve pressure.

He goes on with the problem. Actual injection has run at one point six million tons a year, well below the four million target, and Chevron had to buy ten million tons of carbon offsets to cover the shortfall. Quest, [01:33:00] Shell in Canada, injection rate in Alberta, Canada, inject rate the rate carbon can be pushed into the well dropped significantly.

This is a failure. Number three, ADM's Illinois industrial carbon capture projects injection exact-- injects into Mount Simon Sandstone, one of the four fully permitted Class Six wells. The company also faced criticism because they went beyond its intended zone and took, uh, criticisms to notify the EPA of the leak, took them months to report after it had been done.

EPA issued a Safe Drinking Water Act violation notice. Number four from the Secretary of Energy. Sleipner in-- I mean, S-L-E-I-P-N-E-R, Sleipner, and that's East Texas translation, whatever the name of that place is. In Europe, is the oldest and most cited carbon capture project. It saw unexpected surf-- subsurface behavior.

Carbon migrated toward roughly two hundred and twenty meters within three years, [01:34:00] revealing a previously unknown geological area that was not part of the original contaminant model. The theme of all four of the examples of these projects have experienced some sort of subsurface products, pressure buildup, injectivity loss, or fluid migration that was not fully predicted.

Pre-injection reservoir modeling, regardless of the operator's sophistication on how long the project has been running, that is useful data for any forty-five Q framework that assumes long-term storage permits without robust funded monitoring and remediation requirements. I don't believe the Railroad Commission should become a promotional arm for federal climate agenda.

Our responsibility is not to guarantee profits, validate net zero, or help companies capture federal subsidies. Our responsibility is to protect the public, our natural resources, and the safety of the communities affected by the projects we regulate. Now here's the part for legal beagles, what's on the books.

Even if I reject the political and [01:35:00] economic premise behind carbon capture and storage, companies will still have a legal right to apply for a permit. When they do, we must evaluate each application based on the law and the evidence in the record. And because these permits could last for generations, approval must come only when we are certain of project, project safety.

Now, Exxon's carbon capture permit specifically, we owe it to the people of Texas to vote to approve this permit only when absolutely certain we have it right and-- we have it right and it's safe. However, I'm still concerned that we have not gotten this permit right and it's not safe. Chapter twenty-seven of the Water Code provides, "The RRC may grant a permit for the injection and geological storage of anthropologic carbon dioxide if, among other things," and

I quote, "both groundwater and surface freshwater can be adequately protected from carbon dioxide.

Two, the injection of carbon dioxide will not endanger or injure human health and safety. Three, that the reservoir into which the carbon dioxide is injected is suitable for protecting against the [01:36:00] escape or migration of the carbon dioxide from the reservoir." RRC, RRC Rule sixteen adds some specifics, but mirrors the requirements of the Water Code.

In short, my job as Railroad Commissioner is to review the facts of the record in this case, decide whether the facility is proposed and meets the safety requirements under Texas law. Safety is our job, and I have serious reservations about the safety that's been proven. The Occupational Safety and Health Administration permissible eight-hour workplace exposure limit for carbon dioxide is five thousand parts per million.

This is a short-term exposure. Carbon dioxide is dangerous to human life and health at around thirty thousand or forty thousand parts per million. Exposure of a hundred thousand parts per million causes unconscious death and death-- unconsciousness and death within minutes. Two more pages. So in high enough concentrations, carbon dioxide can kill.

Given the dangerous nature of high concentration of [01:37:00] carbon dioxide, this application, this specific various issues. First, the applicant's proposed network of groundwater monitoring wells excludes the most vulnerable part of the aquifer. Monitoring wells are wells for which water samples taken and tested for pollution.

Here, the applicant proposes monitoring wells in an aquifer of three hundred and fifty feet at two thousand five hundred feet that is potentially dangerous gap. Evidence presented by the contaminant, the compliant suggested monitoring wells at one thousand five hundred to close this gap and better protect the aquifer.

Why deny that? And I have the relevant excerpt here, anybody wants. Second, the well logs in the record show permeable sands of the allegedly upper confining zone. That is strong evidence in the record that there are at least four permeable zones within the confirm-- confining interval, which means, of course, that the confining layer may not be confined at all.

The evidence shows that some sands and rocks should be permeable, permeable, and the several interv-intervals labeled shell did not have enough clay to

[01:38:00] function as reliable confining rock. A confining rock that does not confine is a serious problem. This is at the relevant PFD, is the first two paragraphs on page thirty-nine.

Lastly, there's evidence in the record of undetected small faults that could create vertical leakage pathways. The complainant argues that small faults that do not show up in seismic testing maps might connect successive layers within the rock formation to create a staircase migration pathway up to the surface.

These faults could become smaller and thus harden to detect precisely where they enter shell rock formations. That's relevant expert PFD on page three and four on page thirty-six, paragraphs three and four. So in other words, the evidence on the record shows a high concentration of carbon dioxide will be injected into potentially non-confining layer of rock with faults that could lead toward the surface and a proposed monitoring network of a huge gap.

Commissioners, with all that due respect, doesn't sound safe to me. Due to these safety concerns, I have a motion. [01:39:00] We owe it to our constituents to know more about this permit. I cannot vote to approve this, approve this permit without completely sure that it's safe. I hope you agree. Therefore, I move to remand this application back to the Hearings Division for the limited purpose of receiving additional evidence regarding, one, the gap in monitoring well coverage and testing, the permeability of certain sections of the alleged confining layer, and three, the existence and location of faults that could transport or transmit escaped or migrated injection carbon dioxide.

We have a motion. Is there a second? Can I, can I say some things here? Yes, sir. Um, you know, when, when I came to the agency almost six years ago, one of the things that I was most proud of is our knowledge in underground geological formations. I think we have proved since oil and gas was discovered in the State, State of Texas, is this agency has led the world in what it injects underground and what it [01:40:00] takes from underground.

We have been using CO₂ in, in our operations for over fifty years that I'm aware of. CO₂ has been introduced into producing formations to help better, uh, retrieve more oil and more gas. I have no evidence that I've ever seen that those operations have escaped or harmed human health, that I have-- that I've been or made aware of.

Knowing that our history, and I feel like we are the best in the world when it comes to underground geology, given that this thing has gone through a hearing process with, with the best people that we have that I know of, I think this thing

is, is safe. We've done it for many years, and so I, I, I'd like to make an alternate motion, Madam Chair.

But not quite yet. Okay. We gotta deal with this one first. Okay. When you're... So we have [01:41:00] a motion. Is there a second?

Okay. That motion, were you willing to withdraw your motion? If not, it's going to fail. I want you to know that. I'll just vote no. So. Okay. All right. Mm-hmm. So we're withdrawing... We-- That motion is, fails for lack of a second. Then I've got a motion. I'd like to, uh, move that we approve the examiner's recommendation.

All right. I've, um, I'll second. May I speak in regard to that motion? You may. Okay. I think we need to take a breath, carefully consider what we're doing here. Uh, there's a consequential decision that sets up a precedent. I've received more than a hundred emails just this past weekend opposing this project, and I think the public is very concerned about it.

And last month from now, we'll meet again in one month, October 6th. And I think there's been enough conflict here, hundreds of letters coming in. I think it's the most controversial issue I've had in the ten years I've been here. It's also the first time I recall being [01:42:00] refused as a commissioner to delay a, a, a consideration, but I was refused by my other two commissioners.

So what I would ask is that, uh, that we, uh, pass this item to at least October 6th for additional consideration. I'd ask that courtesy Madam Chair, this application was filed roughly a year and a half ago. The hearing was held over six months ago, and there were four full days of... And we've been provided our briefing materials for quite some time now, I think for-- since our last, uh, meeting, whenever it was passed.

So I'd like to, I'd like to maintain my, my stance. Okay. We have a motion and a second. I think we're ready to vote. Okay. All in favor say aye. Aye. Aye. Those opposed? No. That item-- This item is approved two to one with Commissioner Christian voting no. Thank you, Arden. [01:43:00] We're going on to item number five

Welcome back Uh, we met earlier- Yes, we did ... but, uh, uh, Chris Anciano, Administrative Law Judge with the Hearings Division. Item five is enforcement action against Orange Field Operating Corporation for violating Statewide Rule fourteen B.two. Staff seeks a penalty of five thousand two hundred and fifteen

dollars and requests it'll be ordered to plug the well and place the lease in compliance with applicable rules.

It is recommended that the commission find a violation of Statewide Rule fourteen B.two, assess an administrative penalty of five thousand two hundred and fifteen dollars, and order the well plugged and the lease brought into compliance Um, Orange Field filed exceptions. I'm available for questions. Are there any questions?

No. I move we approve the examiner's recommendations. Is there a second? Second. Second. Go ahead, Wayne, [01:44:00] Wayne. Wayne get that one. I can't remember who was last. I don't know. Second by Commissioner Christian. All those in favor say aye. Aye. Aye. Motion passes, that item's approved. Thank you. All right, we are going to the oil and gas consent agenda, items six through thirty-five.

There are thirty items on this consent agenda. Um, on items twenty-one and twenty-two, Jessica Mendoza has pre-registered and is available for questions on those two items. Are there any questions on Ms. Mendoza? No ma'am. All right, I move that we approve item six through thirty-five. Is there a second? Second.

Second by Commissioner Wright. All in favor say aye. Aye. Aye. Motion passes, those items are approved. Going to inactive wells, items thirty-six through one oh seven. There are seventy-two inactive well items. Are there any questions individually on these? Did... W-wait, I'm confused here. Sorry. Did we miss un-unprotested twenty-six through thirty-five?

I don't know, maybe. Commissioner. I stuck them in the last one. [01:45:00] Okay. All right. I put six through thirty-five together. I'm sorry. I'm crippled. You wanna, you wanna- I-I've been crippled here for this one, so. That's okay. Do you want to separate them out? I'll be- No, no, no. Okay. No, you're good. All right. Um- Sorry to interrupt you.

That's okay. Um, so we have items thirty-six through one oh seven. I move that we approve items thirty-six through one oh seven. Is there a second? Second. Second by Commissioner Christian. All in favor say aye. Aye. Aye. Motion passes, those items are approved. We're going to master default item orders. Um, I believe staff wants to pass item one sixteen.

Is that correct? Correct. Thank you. Um, are there any other questions on any of these? All right. We have items through one oh eight through one twenty-seven,

with the exception of items, of item one sixteen. I move that we approve those items. Is there a second? Second. Second by Commissioner Wright. All in favor say aye.

Aye. Aye. Motion passes, those items are approved. We're going to agreed enforcement orders. There are four hundred and nine agreed enforcement orders. [01:46:00] I move that we approve items one twenty-eight through five thirty-six. Is there a second? Second. Second by Commissioner Christian. All in favor say aye. Aye.

Aye. Motion passes, those items are approv-approved, and this concludes the hearing section matters. We'll now take up our administrative agenda, and we have a report, I think, from General Counsel's office

Good morning, Chairman and Commissioner. Good morning. Seth Bottcher, Office General Counsel, uh, filling in for Betsy Petticola. She was just called to the Capitol. Uh, but I do have her notes, and so I'll give a, a brief update. Starting with WOTUS, on November twentieth of twenty twenty-five, the EPA and the Army Corps of Engineers published a notice of proposed rulemaking to revise the regulations defining the scope of waters that are federally regulated under the Clean Water Act in light of SCOTUS's decision in Sackett v.

EPA. In that notice, the agency stated that the rulemaking was intended to [01:47:00] provide greater regulatory certainty and increase clean water-- the Clean Water Act program predictability and consistency by clarifying the definition of WOTUS. Last week, on September ninth, the agencies published a supplemental notice of proposed rulemaking with additional regulatory options on certain aspects of the proposed rule in seeking public input on these additional regulatory alternatives.

Specifically, the agencies are seeking comment on supplemental regulatory options for the revised definitions of relatively permanent and continuous surface connection and adding a definition of the term perennial. However, other aspects of the previous proposal are not being supplemented and remain under consideration, along with the comments that were submitted on that proposed action.

The comment period for this notice is set to close on October ninth Moving on to the Clean Power Plan 2.0 litigation. Uh, EPA's [01:48:00] new source performance standards for greenhouse gas emissions from fossil fuel-fired steam electric generate-- generating units, that's a mouthful, or the CPP 2.0, as we've been calling it.

Last April, EPA moved to hold the case in abeyance while it conducted a rulemaking to reassess the challenged rule. The court granted that motion but ordered EPA to submit status reports every ninety days. EPA's most recent status report was filed on August twenty-sixth. In that report, EPA referenced its rulemaking that was proposed in June twenty twenty-five reassessing the challenged rule.

EPA received over one hundred and twenty thousand comments on that rule before the comment period ended. EPA then sent the draft final rule to the Office of Management and Budget for review, where it's currently still under review. The next status report is due on November twenty-fourth, twenty twenty-six And for our last update, we will discuss [01:49:00] the lesser prairie chicken.

As you may recall, last year the court granted, uh, Fish and Wildlife's motion for vacatur and remand, finding that Fish and Wildlife conceded to serious error at the foundation of its decision to list the lesser prairie chicken as threatened and endangered. Texas Campaign for the Environment, for the Environment and the Center for Biological Diversity twice attempted to intervene in the litigation, but the court denied their motion, and the groups subsequently appealed that denial.

Oral arguments were heard on the group's appeal on August fourth, and the Fifth Circuit issued its opinion last week. The Fifth Circuit reversed the District Court on the issue of intervention, finding that the court abused its discretion in finding the conservation group's second motion to intervene was untimely.

But the court found it did not have appellate jurisdiction to reach a decision on vacatur because the conservation groups had not demonstrated standing to appeal the District Court's order, which they must do if no primary party appeals the District [01:50:00] Court's decision. The Fifth Circuit remanded the case back to the District Court with respect to the intervention denial, but the vaca-vacatur of the listing decision still stands on remand.

We're currently reviewing the court's decision, and we'll be working with the Office of Attorney General on next steps, and we'll be, uh, bringing pertinent, uh, updates to the commission. Uh. Thank you very much for the update All right, we have five thirty-eight, which is our, our public input item. As a reminder, if we

are, um, going to stick to the three-minute limit on this, and if you are trying to testify on something we've already dealt with today, you will be, um, asked to,

to move on. All right? So our first person is, uh, Scott Castleman. If you'll please come up and state your name[01:51:00]

You'll state your name, and you've got three minutes. Yes. Thank you. Thank you. Uh, good morning, Chair Craddick, uh, and Commissioners Christian and Wright. My name is Scott Cassman, and I represent the Gulf Coast CCS Alliance. Carbon capture and storage is a real business opportunity for Texas's energy-- energy and manufacturing sectors.

There's a trillion-dollar global market that's already attracting significant investment in our state. Companies, investors, and landowners are making significant long-term decisions today about where these projects will be located. As this market continues to grow, a predictable class six permitting process will allow-- will be critical to keeping Texas competitive.

Carbon storage applications are among the most-- Carbon storage applications are among the [01:52:00] most technically complex permits reviewed by any regulatory agency. In fact, these two binders, that I had a real hard time getting up here, sorry, have more than two thousand pages of data submitted for a single class six well application here in Texas.

It's clear that evaluating these applications requires specialized expertise in engineering, geology, hydrology, and subsurface resource management. The Texas Railroad Commission has decades of experience regulating subsurface activities, protecting natural resources, overseeing well operations, and ensuring public safety.

They do this on the merits based on science. CCS projects also create meaningful economic opportunities, particularly in Texas communities utilizing this untapped resource. To quote a landowner testifying before the House Energy Resources Committee yesterday, "Having carbon storage close will [01:53:00] encourage new industries to our area, which can mean more tax revenue, helping fund schools, roads, and emergency services.

Landowners should have the right to determine how their property and property space are utilized, provided all regulatory and safety requirements are met." The Gulf Coast CCS Alliance strongly agrees that community engagement is critical to developing any energy infrastructure in the state, be it CCS or traditional oil and gas.

But we also strongly believe that permit applications should be evaluated using objective standards, technical evidence, and the law, not perception, politics, or social media narratives. Texas became the global energy leader by embracing innovation, trusting technical expertise, and supporting safe and responsible development.

The choice before us is simple as Texans: we lead or we follow. By trusting the expertise of the Railroad Commission staff in applying a fair, predictable permitting process, Texas can strengthen its [01:54:00] rural communities and submit its position as the nation's leader in energy innovation for decades to come.

Thank you for your time. Thank you. Thank you. Peyton Campbell

Thank you. If you could state your name, please. Yes, my name is Peyton Campbell. Uh, I'm a geologist from Corpus Christi, uh, with background in oil and gas industry, and I serve as the science director for Coastal Watch Association. Uh, my concern today is whether the area of reviews are sufficient to, uh, better model for carbon sequestration projects in Texas are providing an adequate margin of safety for neighboring property owners, mineral right owners, and especially groundwater protection.

Um, coming from Corpus Christi, uh, I know what it's like to have our water sources dry up and not be available for, for public [01:55:00] consumption. Um, you know, an AOR, it appears as a precise line on a map, but the geology beneath that line is not precise. Uh, faults, fractures, abandoned wells, variations in permeability and uncertainty in reservoir properties can affect how injected CO2 and the formation pre-pressure move underground.

Um, earlier the, uh, case in Australia was brought up and, uh, in that particular CO2 sequestration site, there was faults that didn't show up on the seismic, and luckily their cap was thick enough where, uh, a nearly five hundred foot fault formed, uh, in their cap. Um, it was thick enough that in that case it didn't, it didn't go above that cap.

But, uh, those faults can appear, um, that do not show up on seismic. And when that pressure gradient increases, um, they can cause a problem. Um, there's, um, you know, only so much geologists can do from the surface. They can gather all the data. Um, you can have core [01:56:00] samples, you can have well logs. Um, anyone that's ever drilled a well, though, knows that until you actually proceed with the operation, there's no guarantee on what's actually happening underneath the ground.

Um, you know, uh, landowners immediately outside of the Ar-- AOR, they rely on groundwater for, uh, their homes, livestock, agricultural operations. Um, if that pressure extends beyond the predicted area, it can influence fluid movement, interact with the faults, fractures, um, improperly plugged wells. Um, that's all pathways that can go towards our

Um, the, uh, CO2 migration itself, um, also could reach shallow groundwater. It can change water chemistry, potentially mobilize naturally occurring constituents from the surrounding rock. Um, groundwater protection can't depend on assuming that a computer-generated AOR boundary exists. Um, property lines don't stop, uh, these-- this migration.

AORs don't stop. It's just a, um, you know, computer model. Um, [01:57:00] the, uh, it-- what we ask or what I'm asking is, um, that if The, uh, monitoring shows that the pressure is moving differently than predicted, um, that the operator, not any neighboring landowner, should bear responsibility for expanded monitoring, investigation, remediation, and any impacts to private water supplies.

Um, we shouldn't wait until a private well, uh, is affected to discover that the margin of safety in the model was inadequate. Thank you. Thank you. Steven Collins

Good morning. I have... Good morning. Good morning, commissioners. I have a material I'd like to present Please hand it to her. Thank you

Morning, if you'll state your name. Thank you. Thank you, commissioners. My name is Steve Collins. I'm a rancher from Ran-- uh, Jack County, and [01:58:00] I'm here to testify on carbon capture and storage. In Jack County, there is a application for tax abatement filed by BKB. It's a publicly traded corporation that has substantial foreign ownership.

Uh, they have, uh, supplied a map to the commissioners regarding their application that is attached to, uh, those materials as the last page. That map shows that in their area of abatement, there is over a hundred and fifty abandoned, uh, plugged old wells. There's-- Jack County's been drilled since the '40s, and there's no assurance that there won't be massive leaks, uh, from these wells, as has been testified to.

Geology is one thing. The condition of forty-year-old wells that have been not looked at for over a hundred years, uh, that geology has changed, uh, because of those wells, and they present a clear and present danger to the fresh water

supplies and the grazing lands that overlies that territory. The second item I'd like [01:59:00] to address the commission on is Class two permits.

These represent a backdoor way for these companies to implement to begin carbon storage projects without going through the Class six verification process. An example of this is the BKB Decarbon Ventures project in Tarrant, uh, County. They have a well, and that well is identified in the material I've supplied to the commission.

It shows that that well is located in the middle of a Barnett Shale field. It's adjacent to the Eagle Mountain Lake, which is a freshwater supply for the city of Fort Worth. The injection zone that they are going to inject in-- the CO₂ into is the Ellenberger, which directly underlies the Barnett Shale formation.

So the cap that normally would contain that CO₂ within the Ellenberger is in fact now drilled [02:00:00] by pro-- within a mile of the injection well, thirty horizontal wells in the Barnett Shale. Those wells have been subjected to massive hydraulic fracking and represent potential faults now out of the Ellen-- out of the Barnett Shale into the Ellenberger, providing a clear and present danger of escape from that, um, CO₂ zone that they're now injecting into, into, uh, upper levels, including all the way up to freshwater aquifers, 'cause it's just gonna follow up all the wellbores that have been drilled through the strata between the Ellenberger and the freshwater.

Um, also, CO₂, when it is subjected to, um, fresh water, turns into an acid, carbonic acid to be specific, which is highly corrosive. This injection well is permitted to four thousand psi High wellhead injection pressure. You pressure up that acid going down into the Ellenberger's limestone. So [02:01:00] we all know what happens when you take acid, you put it on limestone, it dissolves it.

Well, this acid will not only dissolve limestone, it dissolves steel. Again, I request that the commission, uh, curtail granting class six and class two permits in areas where you have substantial number of legacy wells because there's no way you're gonna be able to s- to make sure that those wells don't present a source leak, and secondly, that they no longer allow these C-CCS projects to fly under the radar by filing class two.

Thank you very much for being here. Thank you. We appreciate it. All right. Um, let's see. Eli Hilbert. I'm sorry, it's Ellie. I apologize. Or is it Eli? It is Eli, but- Okay ... you can say both. Okay. Um, hello, my name is Eli Hilbert, um, and I'm the organizing director for Texas Permian Future Generations, um, an environmental nonprofit in Midland, Texas.

Um, and I am concerned about the use of carbon capture [02:02:00] and storage in Texas and the problems it can create in the future. Um, as West Texas is a historic oil and gas field, any Class VI carbon capture projects taking place have a significant hurdle in making sure that all existing oil and gas wells in the area of review are properly plugged and managed so carbon dioxide cannot leak.

While this is a gargantuan task to undertake by itself, um, it's made even harder that it is very likely that there are unmapped exploratory oil and gas wells that were drilled before the Railroad Commission was permitting such wells. And once these wells are mapped, you then have to make sure that all of these wells have been properly plugged and dig them up so that you make sure that they are.

Um, unfortunately, uh, Class VI carbon capture well permittees are not required to do that, um, and it can have disastrous results because of all of these, um, artificial penetrations into the ground. On top of all of these problems, [02:03:00] if there was a medical emergency because of a leak, emergency services may not be able to reach the site because of internal combustion engines stop working when there are no-- is no oxygen to feed them.

All of these issues can be prepared and accounted for, at least partially, but right now operators are not required to address them, leaving the possibility of lands and lives lost. Additionally, the increased seismicity of the Permian Basin can also affect rock formations that are supposed to keep the carbon, um, stored underground.

Um, additionally, uh, I have been organizing people around the project in Upton County with Milestone Environmental, and I've spoken to several of the volunteer fire departments, uh, the closest one being Rankin, but Crane County, um, McKamie has a volunteer fire department. And, uh, Milestone has not spoken to any of these, uh, fir-- volunteer fire departments about the possibility of a CO2 leak and what that could look like in case of a medical [02:04:00] emergency and if they'd even be able to access it.

So I am concerned about all of these things and what an emergency would look like on the ground if that did happen. Thank you for your time. Excuse me. I have a question, if that's okay. Sure. Eli, correct? Yes. Yeah. Thank you for being here today. Uh, you said you represent an environmental group out of the Midland area.

Is that, is that right? Yes. Does-- Do you, do you Are you against generally just carbon sequestration throughout the state of Texas? Is, is that my

understanding? I think that we need to be careful about wherever we are sequestering carbon. Um, I think that the people that spoke this afternoon, um, had some very valid points.

Um, I'm specifically talking about West Texas, um, and the unique problems that we have that definitely wouldn't be present in a place like Corpus Christi or Jefferson County. Um- But you're, you're not opposed to [02:05:00] sequestration of carbon throughout at all, right? I mean, as far as it, nobody ever doing it. I would not say that I am one hundred percent opposed to carbon capture from now until the end of time.

Okay. All right. That's all I ne- wanted to know. Thank you. Thank you. Le-let me clarify one thing, or get one thing clarified. Jen, I may be crazy about, and you know this better than I do. I-I-I've run this through several, several professionals and group or whatever. There is a difference between the project that we're calling, and that we have approved, as carbon sequestration, which is permanent taking away of the carbon, the, uh, CO₂, versus capturing it for increased oil field production, which we've been doing for a long time.

So those are two separate deals I want to get clear in my head. Is that correct? Mm-hmm. Okay, good. Thank you. Okay. Well, and just, just to go back to that. Mm-hmm. Just because somebody sequesters it and puts it into a formation, that, that carbon is still available for use if they want to use [02:06:00] it in EOR. Right.

But this is not a permanent sequestration. What we're, what we were talking about earlier is not for productive use. It was for just total storage forever. But it could be. It could be used. Well, you eventually can go back and do whatever, but the purpose of this that we passed is for permanent sequestration.

No, I understand. Okay.

Any other questions? No, thank you. All right. Uh, Virginia Palacios

Regina Palacios with Commission Shift This was a very different meeting than I've ever experienced at the Railroad Commission

Normally, y'all don't take comment when people register to speak on agenda items. And I thank you for taking comment today on agenda item four. Every meeting should be like this. I know it's [02:07:00] emotional. I know sometimes you don't always get the outcome that you're looking for, but the public deserves

to address you, the decision-makers, before you make decisions of consequence to them.

Real public engagement is not a public relations move. It's not going to a community, having one or two meetings, being done with it. It's not creating a separate meeting for the public to attend that the decision-maker is not at.

We've asked for three things from the Railroad Commission that's guaranteed public input, remote public input, and hearing comment on agenda items whenever people register for it. I don't think it's too much to ask. I don't think today's meeting was too long. I think these meetings could go longer. You know, the policy that was presented at the last meeting makes me think a lot of things.

Certainly presumptions, maybe speculation, [02:08:00] but makes me think that maybe the commissioners are ashamed of the decisions that they make. They don't want people to see them. They don't, they don't wanna hear things that they don't like or that they don't disagree with. I think if, if you agree with free speech and if you agree with public accountability, it should be no problem to hear comments at every agenda, at every open meeting, whether it's on agenda items or at the end of the meeting.

The process for signing up to speak at the open meeting is confusing. You know, people... There was a whole jumble this morning with people who wanted to speak on item four, but didn't think they were gonna get to and tried to sign up for public input, but then were told maybe they wouldn't get to talk about the thing they wanted to talk about.

I think the open meetings should just be easier to access and deal with generally for the public. Let people talk on agenda items. Let them [02:09:00] talk during public input

That's all I have to say. I just want real public engagement at the commission I just wanna, I wanna make sure that, that I'm clear on why we made a decision in our last, uh, meeting about public input. I really thought, Virginia, that that would give a better platform for people to have more than three minutes, people to bring in evidence that could be heard by people that are actually dealing with this day to day.

I thought that aligned with what you've been telling us now for quite some time. So- It does. The only difference is that we think people should still be able to do it at the open meeting guaranteed, because the decision makers are here, who are elected officials and are representing us. Okay, uh, question.

Virginia, you go and stir stink over at the House against us on the policy we passed last week. Congratulations. Give me one example of anybody in the history of the world being refused testimony from that decision [02:10:00] last week. Name it. From the decision you made last- Last week, yes. When has anybody, including yourself- The policy- It...

No, when? One example of anybody. Before you c- there's a crime, you have to have a body, or you have to have a, a... Where's the body? That was a new policy. Yes. Today is- But where's the body? Today is the first meeting where it's- And where's the body? You're, you're testifying here, ig- in- insinuating to the legislators that you're stopped from being able to speak.

So you have presented a false premise to the Texas House of Representatives. How dare you come here? We have done more than you have asked for in your testimony, which has been the majority of testimony time since we allowed public testimony at this place. You've been given more share than anybody else.

Than any human on earth, you've had more time here, and yet you go over and stir stink in the House saying that we've limited something, and you can't come here today and do nothing but bitch some more. This, this is what's crazy to me, is that you're [02:11:00] complaining and complaining. We finally do something that exceeds your request by opening more testimony statewide by Zoom, by calls, by whatever, and you're still here complaining.

That tells me you ain't in it for the good of the people. You're in it for stirring up stink. And may I say, you're doing a good job of it. Congratulations. Thank you. Very substantive- Thank you. Thank you. Y- y- you're not... Thank you, your time's up Arandy Trevino This is a new policy Good night. And this is the first day- Your time's over Your time is now up.

Thank you, Commissioner. Ms. Palacios, your time is now up. We'll be glad to escort you out, but I happen to agree with Ms.- with Commissioner, uh, Christian, by the way. All right, Arandy Trevino

Good afternoon

My [02:12:00] name's Erandy Cabino, and I am the founder and executive director of the Raices Collab Project. My organization manages the Texas CCS Community Advocacy Coalition. I work with communities throughout the state who are clear that they do not want carbon capture in their communities. However, most communities when we first meet have never even heard of carbon capture, much less that a project is heading their way.

Even though companies and alliances proposing these projects claim to be engaging with communities, it seems that there's a very liberal definition of engagement that's being used. It came to my attention that leadership at the Texas House Committee on Energy Resources Committee have an interest in expediting CCS projects as quickly as possible.

But this is concerning to me because there needs to be room for public engagement to have the desires represented for safety and for the financial concerns of our community. They need to be fully addressed before anything goes on. So we've heard [02:13:00] a lot about the money aspect of these projects and how the people pay—uh, of Texas are paying for it.

So what do these numbers actually look like? Um, the Gulf Coast CCS Alliance calls CCS a trillion-dollar industry, and this is true. It is a trillion-dollar industry, but not because of the foreseen profits from this industry, but rather from the public pay—profits from this industry. Full funding, public funding for just, for just the projects that have been proposed so far are estimated to cost a, a total of two point one trillion dollars to taxpayers and an average of sixty billion dollars per year.

A singular project through the twelve years of which forty-five Q is meant to last. So class six wells are said to receive an average of a billion dollars per well, per project, and each project is estimated to have six wells. So that's an average of six billion dollars per project for a twelve-year period.[02:14:00]

And as we know, some companies are proposing multiple projects. So how many billions each company is set to receive from the public is yet to be seen. So what happens when those twelve, that twelve-year period ends and those credits are gone? And now they have no one to sell those, the, their carbon sequestration to.

Um, I think that a lot of those projects are gonna be abandoned, and then that's gonna become the responsibility of the Texas public. So once again, the Texas public is gonna be set to foot the bill, but now at the state level. Lastly, I think that I just want to, um, emphasize that I understand and appreciate that there's been, um, an attempt to expand the ability for the public to, to participate.

Um, I do just wanna say that it would be nice because you guys are, are kind enough to always give us the ability to speak, um, when we request it. But in the future, my concern is that a future commissioner [02:15:00] might not be as kind and as gracious as to allow us to provide public comment. Thank you. And it would be nice to have that guaranteed.

Thank you. Thank you for being here. It's an impossible guarantee. What future legislator is gonna get elected to do? I mean, it's kind of- It is. We'll see. Democratic system. Skyler White

Morning. I think we're still at morning No, it's nice- Try it right at the afternoon. Hi Good afternoon. It's... I don't get to say that here very often. I'm Skyler White, and I'm here representing myself. Uh, there's no substitute for talking to the boss. Uh, when I was growing up, they, we had one phone company in town.

It was Southwestern Bell. I don't know if y'all remember them or not. That was mine, too, and had a party line. We had a, a neighbor that his wife loved to talk on the phone, and I, and we knew that because- ... we had a party line with her. Well, the phone line would go down, and, [02:16:00] and Southwestern Bell being the only phone company in town, they, they don't...

Customer service was not their strong suit. So you go up there and tell them your phone's out, you might, you might wait a few weeks before they get out there and fix it. Well, we had a neighbor named James Waddell that, that, uh, he, his phone went out, and he went up there and told them. After a couple of weeks, he got tired of waiting on them to fix it, so he went in there to the local office.

They had the office there in the lo- the little town. And, and he went in there and sit, told the secretary, said, "I wanna go talk to the boss." Secretary said, "Boss is not available." So he said, "That's all right. I'll just wait on him. When he gets ready to see me, I'll just..." So anyway, he sat down, and he spread out his lunch and started eating.

And James had a, a jaw that would pop. When he'd eat, that thing would pop, pop, pop, pop like that. It'd pop while he was eating. It was aggravating to listen to. Anyway, he finished all his lunch stuff, packed it up, and, and then pulled out a cigar, [02:17:00] lit that cigar, and went smoking that cigar. That secretary, she finally had enough.

She got a hold of the boss, and she said, "The boss will see you now." So James goes in there, and he sees the boss, and lo and behold, his phone line gets fixed the next day. So there's no substitute for talking to the boss. And I've, I've tried to be nice to y'all. I've, I've been a little rough and been a little mean and everything, but you three are the bosses, and there's just no substitute for coming down here and talking to the boss.

And I appreciate y'all having these listening sessions and that, that would be good for a lot of people. But I don't know. I mean, there's just no substitute for talking to the boss. And, and I'm, I'm gonna try to be nice and accommodating and, and try not to be too rough on y'all, but, but I would like to keep the opportunity to, to come down here and bring my problems to y'all and go, go talk to y'all.

My dad said... When I was growing up on the ranch, he said, "If you have trouble with any [02:18:00] company that's operating on the ranch, go talk to the boss." Because the, if you go talk to the people that work for the boss, sometimes things get lost in translation, and there's no, there's just no substitute for that.

So I appreciate this opportunity, and I, and I hope that y'all will afford that to me in the future. And, uh, thank you for your time. Thank you. Thank you. All right. Item five thirty-nine is our executive item session, or I mean executive session, which we will not be going into today. Ma'am, you've already testified today

Ma-ma'am, I told you that earlier. We've testified. I'm now closing this meeting. Um, thank you for being here. Um, there, this meeting, the thank you all for being here today. This meeting of the Rural Commissions of [02:19:00] Burke