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April 8, 2020

The Honorable Wayne Christian, Chair
The Honorable Christi Craddick
The Honorable Ryan Sitton
Railroad Commission of Texas
P.O. Box 12967
Austin, Texas 78711-2967

Re: Verified complaint of Pioneer Natural Resources U.S.A. Inc. and Parsley Energy Inc to determine reasonable market demand for oil in the state of Texas

Dear Chairman Christian and Commissioners Craddick, and Sitton,

In response to your request in the above-referenced motion, Texas Campaign for the Environment submits the following comments. On behalf of our members across the state, we respectfully request your consideration of our input before and during the hearing next week and in additional discussions of this important matter now and in the future.

Texas Campaign for the Environment encourages the Texas Railroad Commission to **restrict oil production** in the wake of the collapse of oil prices and to **prioritize production cuts for producers and fields with the worst records of excessive flaring**.

Further, we ask the Railroad Commission to **manage the decline of oil and gas production and the transition to a clean energy economy** for Texas.

We agree with the current motion to the Railroad Commission from the independent Texas oil and gas companies who want to control oil and gas production, though we have different reasons. They appear to want relief to level the playing field they share with larger, multinational oil and gas companies who may be able to afford to store wasteful overages when the market's down.

Our reasons are different. We want to transition from fossil fuels to a clean energy economy because:

- Oil and gas production **pollutes our air and water** with chemicals such as benzene, hydrogen sulfide, and other toxic pollutants that are **making Texans sick**.
- Oil and gas pollution contributes to **pre-existing conditions** in our families, friends, and communities such as asthma, chronic obstructive pulmonary disorder and heart disease that make people more vulnerable and likely to die of the Covid-19 virus.¹
- Oil and gas pollution is one of the main contributors of **climate change emissions**. Controlling and managing the decline in oil and gas production would address some of the world's **climate change** problems and help us to avoid further disaster.
- Oil and gas production in Texas **requires large amounts of water**.
- We want safer, healthier jobs in a more stable and resilient clean economy for Texans.

¹ Friedman, Lisa, et al, New York Times, 2020-04-07, "New Research Links Air Pollution to Higher Coronavirus Death Rates", <https://www.nytimes.com/2020/04/07/climate/air-pollution-coronavirus-covid.html>



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TCE Comments to RRC 2020-04-08 (continued)

Manage the Transition

Research shows that financially, the oil and gas sector is in decline. The fracking "boom" from 2000 to 2008 was actually only a temporary recovery in an undeniable, forty-year downward trend in the fossil fuel energy sector since 1980. According to the Institute for Energy Economics and Financial Analysis, the number of oil and gas exploration and production company bankruptcies doubled in 2019. Now oil and gas prices have plummeted internationally. The lack of international buyers for US oil and gas exports means that investors are re-thinking the best place to put their money. With Americans and people around the globe staying home to prevent Covid-19 spread, consumption of oil and gas has also plunged.

There is no time like now during the current Covid-19 crisis and resultant economic downturn to reconsider the essentials, to protect the public health, and to transition and to a cleaner and stable economy by creating new jobs in the energy efficiency and renewable power sector.

In review, we respectfully, sincerely, and urgently request the Railroad Commission to:

- **Restrict and reduce reliance on oil and gas;**
- **Prioritize production cuts for producers and fields with the worst records of excessive flaring;**
- **Manage the decline of oil and gas production and the transition to a clean energy economy for Texas.**

Texas is indeed an energy state with the business and engineering know-how to help implement this transition and build on the already-strong renewable energy sector. We urge you to lead the project forthwith beginning with adopting and supporting the verified complaint of Pioneer Natural Resources U.S.A. Inc. and Parsley Energy Inc to determine reasonable market demand for oil in the state of Texas.

Thank you.

Sincerely,

Robin Schneider
Executive Director