

Enhancing RRC Inspection Capacity to Reduce Wildfire Risk

KEY TAKEAWAY

Over the past 25 years, Texas' energy production has grown dramatically, as has wildfire risk from electrical equipment. Exceptional Items #3 and #6 give the Railroad Commission (RRC) the capacity to inspect electrical equipment at well sites to reduce the risk of destructive wildfires.

BACKGROUND

Last year, the 89th Legislature passed **HB 143**, requiring the Commission to inspect well sites for compliance with electrical fire and safety requirements. HB 143 was part of a package of wildfire mitigation bills passed in response to the destructive 2024 Panhandle wildfires that burned millions of acres and could be traced back to a decayed power pole. Texas 2036 supported HB 143 and other similar resiliency efforts to mitigate wildfire risk in the future.

In recent years, RRC district offices have received a growing number of landowner concerns about electrical equipment at well sites that may pose a wildfire risk. **Exceptional Item #3** provides RRC with additional staff capacity to perform the electrical-safety inspections needed to help prevent wildfires and to maintain the agency's statutory five-year inspection cycle. **Exceptional Item #6** funds the electrical-safety training RRC inspectors need to implement these requirements – training for both existing agency staff and new hires.

PROPOSED ACTION

Texas 2036 supports Exceptional Items #3 and #6 together. These are complementary investments: one adds the field capacity to respond to wildfire-risk concerns, and the other ensures inspectors are trained to carry out the electrical safety inspections that HB 143 requires.

BUDGET COST ESTIMATE

The RRC estimates Exceptional Item #3 to cost \$3,631,572 over the FY 2028–29 biennium, along with 5 FTEs. The RRC estimates Exceptional Item #6 to cost \$1,155,750 over the FY 2028–29 biennium, to be covered under the agency's oil and gas monitoring and inspections program.

~375%

growth in Texas oil production over the past 25 years

~140%

growth in Texas natural gas production over the same period

Source: U.S. Energy Information Administration (EIA)

Completing RRC's IT Modernization

KEY TAKEAWAY

Modern systems are essential to keeping pace with continued growth in oil and gas production. **Mainframe Transformation Phase V** – the fifth and final phase of an IT effort begun in 2019 – is designed to strengthen the agency, improving efficiency and performance in areas like permitting, compliance inspections and reporting.

BACKGROUND

Since 2019, the RRC has worked to replace its legacy mainframe with updated information technology systems. The transformation involves two components: migrating agency programs to cloud-based applications and moving agency data to new storage solutions. The **Mainframe Transformation Phase V** capital budget request represents the fifth and final phase of the multi-year effort. Texas 2036 previously supported this work under our broader framework of ensuring agencies have modern, reliable and accessible IT resources. The agency expects the transition to improve efficiency and performance in areas including permitting, compliance inspections and reporting.

PROPOSED ACTION

Texas 2036 supports the Commission's capital budget request, Mainframe Transformation Phase V. Completing this five-year effort will improve the accessibility and reliability of the data that Texans and policymakers depend on.

BUDGET COST ESTIMATE

The RRC estimates Mainframe Transformation Phase V to cost \$21,475,647 in FY 2028.

FOR ADDITIONAL INFORMATION, PLEASE CONTACT

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