West Texas Regional Groundwater Alliance

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The West Texas Regional Groundwater Alliance (WTRGA) originated in May of 1988 as a simple cooperative agreement to facilitate better resource allocation between four small groundwater conservation districts (GCDs). Over time as new GCDs were created in western Texas, more districts recognized the value of collaborating with neighboring districts. In 1996 the original agreement was redrafted and the WTRGA was established. The WTRGA now consists of 18 GCDs sharing a common objective: to facilitate the conservation, preservation, and beneficial use of water resources while optimizing the public's tax dollars to utilize the best available science in management. WTRGA members represent a diverse slice of West Texas covering four state senate districts, eight state house districts, three groundwater management areas (GMAs), and three regional water planning groups (RWPGs).

The hydrogen production industry is investing heavily in West Texas with many WTRGA member GCDs already experiencing various levels of project development from site selection, to land contracts in hand, to water availability studies underway. GCD Board of Directors and Managers are treading very cautiously having to consider water supply permits in the very near future while the legislature is still working out industry regulation. While time is of the essence, listed below are GCD concerns we hope will be considered in legislative action.

Exempting Water Users Undermines a GCDs Ability to Effectively Manage Resources

West Texas is a major draw for multiple industries. The dominance of the Permian Basin in oil and gas production needs no introduction. The wind and solar power generation industries have become just as definitive and record-breaking across the landscape. Just as important is the relative cost efficiency and land availability for large facilities with minimal NIMBY push-back compared to more populated regions of the state. After checking all these boxes off, project developers are often lax in considering available water supplies. The state water plan lists huge amounts of available groundwater in many GCDs across our region without consideration of approved water use permits leading those project developers who do consider water availability to falsely rank our region as highly desirable. This trifecta of West Texas characteristics has brought a high number of bit coin mines to our region and piqued the interest of a large number of hydrogen producers. All these industries, including oil and gas, are completely dependent on large amounts of water. As recent as the 88th session in 2023 the Legislature has codified exemptions to GCD permitting (ch. 36.117(b) and (c)) to promote specific industries or uses. Exempting water users, especially high-volume water users, is detrimental to a GCDs ability to effectively manage local resources fairly and equitably. This legislative attempt at industry promotion has an outsized effect on the local landowners who are not exempted from GCD permitting and management, often times leaving these much smaller water users to bear the brunt of management mechanisms like permit reductions, permit moratoriums, and DFC based permit limits. WTRGA members want to be able to effectively perform our duty and simply ask that we be able to treat all water users fairly without additional exemptions being codified.

Treated Produced Water Potential, But Incentives Needed

While freshwater resources are precious, West Texas has plentiful produced water resources. The Texas Produced Water Consortium has been doing great work these last few years researching just how big a resource produced water is, what economic conditions are needed to make treatment and

reuse the industry norm, and what industries can utilize produced water. The promise of utilizing produced water for large hydrogen facilities had tickled the ears of many landowners in recent months, but GCDs just aren't seeing that reality. Freshwater permit applications are being submitted to local GCDs and fresh water well studies are being commissioned to engineering firms. WTRGA members encourage creative legislative initiatives to promote the use of produced water in non-direct-to-consumer applications like hydrogen production.

Water Availability Studies are Good for Business and for Management

Finally, many prospective hydrogen facilities are taking prudent action and completing water availability studies before finalizing project plans. In many cases they are finding that sufficient supplies are just not available in our region. As with any industry, there are some players who rush ahead without well thought out plans in an effort to secure lucrative federal subsidies. WTRGA members support legislative initiatives to complete water availability studies when facility operations are completely dependent on groundwater.

Thank you for your time and consideration,

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