



TEXAS GENERAL LAND OFFICE
COMMISSIONER DAWN BUCKINGHAM, M.D.

May 22, 2023

US Environmental Protection Agency (MC 1701A)
1200 Pennsylvania Ave NW
Washington, DC 20460

RE: EPA-HQ-OAR-2023-0072

Dear Administrator Michael S. Regan:

As Commissioner of the Texas General Land Office (GLO) and steward of over 13 million acres of State lands on behalf of the people of Texas, I am appalled and extremely concerned at the draft rule proposed on May 8, 2023, by the U.S. Environmental Protection Agency (EPA) regarding carbon pollution standards for coal and natural gas-fired power plants. Simply put, the implementation of EPA-HQ-OAR-2023-0072 would be an all-out attack on the energy industry, the robust Texas economy, everyday taxpayers, and public education funding in the State of Texas.

EPA-HQ-OAR-2023-0072 mandates most coal and natural gas-fired power plants capture 90 percent of emissions by 2035 and convert to hydrogen by 2038. EPA-HQ-OAR-2023-0072 is nothing more than a blatant attack on the domestic oil and gas industry. Rather than encourage the continued use of clean and abundant natural gas for energy generation, EPA-HQ-OAR-2023-0072 seeks to burden our natural gas-fired plants with untenable restrictions to compel their closure or conversion to a fuel source like green hydrogen. Further, unless subject to additional EPA oversight, EPA-HQ-OAR-2023-0072 would not consider carbon captured from power plants under this scheme that is used for tertiary oil and gas recovery, a safe and effective use of carbon that has been utilized since the 1970's. At the GLO, we are no strangers to the challenges posed to the budding carbon capture and sequestration industry. For one, capturing carbon from natural gas plants – as opposed to coal-fired plants – is exceedingly difficult since carbon is not nearly as concentrated. If it proves to be either impossible or economically unviable to utilize this as-yet-unproven capture technology, plants will be faced with no option but to shut down.

The General Land Office (GLO) is the oldest state agency in Texas, established in 1836. The agency serves the schoolchildren, veterans and environment of Texas by maximizing State revenue through innovative administration, and exercising prudent stewardship of State lands, minerals, and natural resources. The GLO is responsible for managing over 13 million acres of State lands and mineral interests dedicated to the Permanent School Fund (PSF). The School Fund is a perpetual endowment created by the Texas Legislature in 1854 to support public schools. See TEX. CONST., art. VII, § 2. The GLO has a fiduciary duty to maximize revenues from State lands and minerals for the benefit of the School Fund. The agency generates revenue for the School Fund through oil and natural gas production, sales, leases, and other transactions involving the assets under management. The GLO has deposited over \$30 billion into the School Fund since inception, including over \$2.1 billion in oil and natural gas revenues during the last fiscal year.

As Land Commissioner, I also serve as the Chairwoman of the Board for Lease of University Lands, which oversees lands owned by the Permanent University Fund (PUF). The PUF owns approximately 2.1 million acres in West Texas. Similar to the PSF, the PUF is a constitutionally created fund that generates substantial revenue for the University of Texas and Texas A&M University Systems.

Due to the likelihood that EPA-HQ-OAR-2023-0072 will result in closure or curtailment of natural gas-fired power plants, and thus diminish natural gas revenues received by the School Fund and the PUF, EPA-HQ-OAR-2023-0072 will have a lasting negative impact on funding for public education in Texas. EPA-HQ-OAR-2023-0072 is undoubtedly intended to buttress the Federal Government's push to end domestic oil and natural gas production in favor of "green" renewable sources. However, as EPA-HQ-OAR-2023-0072 itself states, "Renewable energy... is both variable and intermittent." So, in addition to decreasing revenue directed to the school children and college students of Texas, EPA-HQ-OAR-2023-0072 will present an undue burden on the State's critical energy supply and Texas industry at a time when U.S. power consumption requirements are expected to increase by 12 to 22 percent between now and 2030.

Please be advised that the General Land Office will seek relief in the appropriate court to stop the EPA from proceeding with implementation of the Rule. The General Land Office respectfully requests that the EPA respond to these comments in writing. Thank you for your careful consideration.

Respectfully,

A handwritten signature in black ink, appearing to read "D. Buckingham", written in a cursive style.

DAWN BUCKINGHAM, M.D.
Commissioner, Texas General Land Office