

COMMITTEE SUBSTITUTE

FOR

H. B. 4511

(BY DELEGATES CANN, M. POLING,
VARNER, MILEY, PETHTEL, FERNS,
PERRY, SHAVER, BARILL, SKAFF AND STOWERS)

(Originating in the Committee on Finance)
[February 23, 2012]

A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new article, designated §18B-12B-1, §18B-12B-2, §18B-12B-3, §18B-12B-4 and §18B-12B-5, all relating to the creation of the Shale Research, Education, Policy and Economic Development Center at West Virginia University.

Be it enacted by the Legislature of West Virginia:

That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new article, designated §18B-12B-1, §18B-12B-2, §18B-12B-3, §18B-12B-4 and §18B-12B-5, all to read as follows:

**ARTICLE 12B. SHALE RESEARCH, EDUCATION,
POLICY AND ECONOMIC
DEVELOPMENT CENTER AT
WEST VIRGINIA UNIVERSITY.**

§18B-12B-1. Legislative findings and purpose.

1 (a) Findings. – The Legislature makes the following
2 findings:

3 (1) Advancements in technology have resulted in the
4 efficient development of abundant natural gas and oil
5 resources contained in underground shales and other geologic
6 formations in the State of West Virginia. These resources
7 have the potential to generate jobs, stimulate economic
8 activity, ensure energy security, reduce carbon and other
9 emissions and provide significant revenues to the State of
10 West Virginia;

11 (2) Development of the Shale Research, Education,
12 Policy and Economic Development Center at West Virginia
13 University is in furtherance of the university's land grant
14 status and allows the State of West Virginia to focus on the
15 prudent development and regulation of natural gas and liquid

16 hydrocarbon from the shale resources in West Virginia and
17 throughout the world; and

18 (3) The center will provide an opportunity for West
19 Virginia University to partner with industry and government
20 bodies in the State of West Virginia, nationally and
21 internationally to explore opportunities and engage in
22 scientific research and development of shale resources.

23 (b) Purpose. – The purposes of this article are as follows:

24 (1) To create a center capable of pursuing independent,
25 objective, research-driven analysis to achieve the following:

26 (A) Improve the efficient development of shale resources;

27 (B) Generate and document best practices covering
28 environmental, safety, business and health practices;

29 (C) Advance environmental performance by garnering
30 industry and regulatory commitment;

31 (D) Improve transparency of the data and process, and
32 develop effective outreach to and engagement of affected
33 communities;

34 (E) Protect the environment of the State of West Virginia
35 and beyond by minimizing methane, carbon dioxide and any
36 other potential emissions; and

37 (F) Structure legal frameworks and policies to promote
38 prudent development of and access to the state's resources;
39 and

40 (2) To create a center with a flexible structure to
41 accommodate the needs of the state, West Virginia
42 University and its partners in government and industry,
43 which will be achieved through:

44 (A) Investment by federal and private sources in strategic
45 research;

46 (B) Focused, cofunded, research and development
47 programs sponsored by West Virginia University, the federal
48 government, industry and other private partners;

49 (C) Industry-funded applied research; and

50 (D) Specialized services for government and industry
51 partners.

**§18B-12B-2. Shale Research, Education, Policy and Economic
Development Center at West Virginia
University created.**

1 (a) There is created the Shale Research, Education, Policy
2 and Economic Development Center at West Virginia
3 University, under the direction and authority of the West
4 Virginia University Board of Governors.

5 (b) West Virginia University shall use its research
6 capabilities to advance the purposes of the center established
7 in section one of this article, which capabilities include, but
8 are not limited to:

9 (1) Technologies for efficient resource assessment and
10 efficient extraction, such as various improvements to
11 extraction technologies, earth imaging and other technologies
12 to map, evaluate, and assess resources and understand
13 geoprocesses; models to predict and manipulate multiphase
14 fluid flow including gas, liquid hydrocarbons, and hydraulic
15 fracture fluids; and water life cycle analysis from source
16 through staging, use, wastewater recycling and treatment;

17 (2) Environmental and economic impacts, such as fuel
18 cycle analysis; construction of state-wide baselines for water
19 and air quality; control of emissions and fuel waste in all
20 cycles of energy production and delivery; policy analysis to
21 facilitate cost effective permitting, industry management,
22 regulation and acceptance, improved gathering, storage,
23 analysis, transparency, and access of energy data to serve
24 government, industry, and the public; and

25 (3) Human dimensions, such as workforce development
26 via K-12 and college programming specializing in energy
27 and environment fields; analysis of public health risks and
28 promotion of best practices to protect public health and work-
29 place health and safety; transparent and effective
30 communication strategies to establish shared understandings
31 of expectations and awareness of issues and facts; assisting
32 state agencies including the West Virginia Department of
33 Environmental Protection, West Virginia State Tax Division,
34 the West Virginia Geologic and Economic Survey and the
35 Legislature to develop a transparent, efficient, and effective

36 environment to manage the state's oil and natural gas
 37 resources for the benefit of all the state's citizens, thus
 38 ensuring that development of these resources is tracked and
 39 followed accurately and further ensuring that appropriate
 40 revenue streams are captured by the state and that royalties to
 41 mineral lessors are appropriately protected; development of
 42 best business practices in aid and assistance of developing a
 43 robust and prudently positioned industry in the state and
 44 tracking and analyzing the economic impact and effect of the
 45 industry upon the state.

§18B-12B-3. Definitions.

1 As used in this article:

2 (1) "Board" means the West Virginia University Board
 3 of Governors.

4 (2) "Center" means the Shale Research, Education, Policy and
 5 Economic Development Center at West Virginia University.

§18B-12B-4. Powers and duties.

1 (a) Except as otherwise provided in this article, the board
 2 shall operate the center to further the purposes set forth in

3 section one of this article, with powers and duties including,

4 but not limited to, the following:

5 (1) Acquiring by purchase, lease, gift or otherwise, real
6 property and appropriate industrial operations equipment;

7 (2) Constructing, expanding, remodeling, altering or
8 equipping buildings as necessary;

9 (3) Executing contracts with any private entity;

10 (4) Providing for the equipment, expenses, personnel,
11 operation and maintenance of any facility of an agency or
12 institution used for the purposes of this article;

13 (5) Employing personnel; and

14 (6) Cooperating with other agencies of the state, county
15 and federal governments.

16 (b) Expenditures by the center from sources other than
17 private funding or federal funding are not authorized.

§18B-12B-5. Rules.

1 The board may promulgate rules in accordance with
2 section six, article one of this chapter to implement the
3 provisions and purposes of this article.