

1 COMMITTEE SUBSTITUTE

2 FOR

3 **H. B. 4511**

4 (By Delegates Cann, M. Poling, Varner, Miley, Pethtel,
5 Ferns, Perry, Shaver, Barill, Skaff and Stowers)

6 (Originating in the Committee on Finance)

7 [February 23, 2012]

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

16 *Be it enacted by the Legislature of West Virginia:*

17 That the Code of West Virginia, 1931, as amended, be amended
18 by adding thereto a new article, designated §18B-12B-1, §18B-12B-2,
19 §18B-12B-3, §18B-12B-4 and §18B-12B-5, all to read as follows:

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

22 **§18B-12B-1. Legislative findings and purpose.**

23 (a) Findings. - The Legislature makes the following findings:

24 (1) Advancements in technology have resulted in the efficient
25 development of abundant natural gas and oil resources contained in
26 underground shales and other geologic formations in the State of

1 West Virginia. These resources have the potential to generate
2 jobs, stimulate economic activity, ensure energy security, reduce
3 carbon and other emissions and provide significant revenues to the
4 State of West Virginia;

5 (2) Development of the Shale Research, Education, Policy and
6 Economic Development Center at West Virginia University is in
7 furtherance of the university's land grant status and allows the
8 State of West Virginia to focus on the prudent development and
9 regulation of natural gas and liquid hydrocarbon from the shale
10 resources in West Virginia and throughout the world; and

11 (3) The center will provide an opportunity for West Virginia
12 University to partner with industry and government bodies in the
13 State of West Virginia, nationally and internationally to explore
14 opportunities and engage in scientific research and development of
15 shale resources.

16 (b) Purpose. - The purposes of this article are as follows:

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

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

20 (B) Generate and document best practices covering
21 environmental, safety, business and health practices;

22 (C) Advance environmental performance by garnering industry
23 and regulatory commitment;

24 (D) Improve transparency of the data and process, and develop
25 effective outreach to and engagement of affected communities;

26 (E) Protect the environment of the State of West Virginia and

1 beyond by minimizing methane, carbon dioxide and any other
2 potential emissions; and

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

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

9 (A) Investment by federal and private sources in strategic
10 research;

11 (B) Focused, cofunded, research and development programs
12 sponsored by West Virginia University, the federal government,
13 industry and other private partners;

14 (C) Industry-funded applied research; and

15 (D) Specialized services for government and industry partners.

16 **§18B-12B-2. Shale Research, Education, Policy and Economic**
17 **Development Center at West Virginia University**
18 **created.**

19 (a) There is created the Shale Research, Education, Policy and
20 Economic Development Center at West Virginia University, under the
21 direction and authority of the West Virginia University Board of
22 Governors.

23 (b) West Virginia University shall use its research
24 capabilities to advance the purposes of the center established in
25 section one of this article, which capabilities include, but are

1 not limited to:

2 (1) Technologies for efficient resource assessment and
3 efficient extraction, such as various improvements to extraction
4 technologies, earth imaging and other technologies to map,
5 evaluate, and assess resources and understand geoprocesses; models
6 to predict and manipulate multiphase fluid flow including gas,
7 liquid hydrocarbons, and hydraulic fracture fluids; and water life
8 cycle analysis from source through staging, use, wastewater
9 recycling and treatment;

10 (2) Environmental and economic impacts, such as fuel cycle
11 analysis; construction of state-wide baselines for water and air
12 quality; control of emissions and fuel waste in all cycles of
13 energy production and delivery; policy analysis to facilitate cost
14 effective permitting, industry management, regulation and
15 acceptance, improved gathering, storage, analysis, transparency,
16 and access of energy data to serve government, industry, and the
17 public; and

18 (3) Human dimensions, such as workforce development via K-12
19 and college programming specializing in energy and environment
20 fields; analysis of public health risks and promotion of best
21 practices to protect public health and work-place health and
22 safety; transparent and effective communication strategies to
23 establish shared understandings of expectations and awareness of
24 issues and facts; assisting state agencies including the West
25 Virginia Department of Environmental Protection, West Virginia
26 State Tax Division, the West Virginia Geologic and Economic Survey

1 and the Legislature to develop a transparent, efficient, and
2 effective environment to manage the state's oil and natural gas
3 resources for the benefit of all the state's citizens, thus
4 ensuring that development of these resources is tracked and
5 followed accurately and further ensuring that appropriate revenue
6 streams are captured by the state and that royalties to mineral
7 lessors are appropriately protected; development of best business
8 practices in aid and assistance of developing a robust and
9 prudently positioned industry in the state and tracking and
10 analyzing the economic impact and effect of the industry upon the
11 state.

12 **§18B-12B-3. Definitions.**

13 As used in this article:

14 (1) "Board" means the West Virginia University Board of
15 Governors.

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

18 **§18B-12B-4. Powers and duties.**

19 (a) Except as otherwise provided in this article, the board
20 shall operate the center to further the purposes set forth in
21 section one of this article, with powers and duties including, but
22 not limited to, the following:

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

25 (2) Constructing, expanding, remodeling, altering or equipping
26 buildings as necessary;

1 (3) Executing contracts with any private entity;

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

5 (5) Employing personnel; and

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

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

10 **§18B-12B-5. Rules.**

11 The board may promulgate rules in accordance with section six,
12 article one of this chapter to implement the provisions and
13 purposes of this article.