

H. B. 4511

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

[Introduced February 13, 2012; referred to the Committee on Education then Finance.]

FISCAL NOTE

A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new article, designated §18B-11C-1, §18B-11C-2, §18B-11C-3, §18B-11C-4 and §18B-11C-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-11C-1, §18B-11C-2, §18B-11C-3, §18B-11C-4 and §18B-11C-5, all to read as follows:

ARTICLE 11C. SHALE RESEARCH, EDUCATION, POLICY AND ECONOMIC DEVELOPMENT CENTER AT WEST VIRGINIA UNIVERSITY.

§18B-11C-1. Purpose.

(a) Advancements in technology have resulted in the efficient development of abundant natural gas and oil resources contained in 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 (b) The Legislature finds that the development of the Shale  
6 Research, Education, Policy and Economic Development Center at West  
7 Virginia University is in furtherance of the university's land  
8 grant status and allows the State of West Virginia to focus on the  
9 prudent development and regulation of natural gas and liquid  
10 hydrocarbon from the shale resources in West Virginia and  
11 throughout the world.

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

17 (d) The center shall pursue independent, objective  
18 research-driven analysis to achieve the following:

19 (1) To improve the efficient development of shale resources;

20 (2) To generate and document best practices covering  
21 environmental, safety, business and health practices;

22 (3) To advance environmental performance by garnering industry  
23 and regulatory commitment;

24 (4) To improve transparency of the data and process, and

1 develop effective outreach and engagement of affected communities;

2 (5) To protect the environment of the State of West Virginia  
3 and beyond by minimizing methane, carbon dioxide and any other  
4 potential emissions; and

5 (6) To structure legal frameworks and policies to promote  
6 prudent development of and access to the state's resources.

7 (e) The center shall have a flexible structure to accommodate  
8 the needs of the state, West Virginia University and its partners  
9 in government and industry. This will be achieved through:

10 (1) Investment by state and federal sources in strategic  
11 research;

12 (2) Focused, cofunded research and development programs  
13 sponsored by West Virginia University, government and industry  
14 partners;

15 (3) Industry-funded applied research; and

16 (4) Specialized services for government and industry partners.

17 **§18B-11C-2. Creation of the Shale Research, Education, Policy and**  
18 **Economic Development Center at West Virginia**  
19 **University.**

20 (a) In furtherance of the purpose set forth in section one,  
21 there is created a research, education and economic development  
22 entity known as the Shale Research, Education, Policy and Economic  
23 Development Center at West Virginia University.

24 (b) West Virginia University shall use its research

1 capabilities, including, but 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; construct state-wide baselines for water and air quality;  
12 control of emissions and fuel waste in all cycles of energy  
13 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.

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; and assist state agencies including the West

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

13 **§18B-11C-3. Definitions.**

14 As used in this article:

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

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

19 **§18B-11C-4. Powers and duties of the Board of Governors and Shale**  
20 **Research, Education, Policy and Economic**  
21 **Development Center at West Virginia University.**

22 Notwithstanding any other provision of this code to the  
23 contrary, the board is authorized to operate the center to further

1 the purpose set forth in section one of this article, including:

2 (1) Either the acquisition by purchase, lease, gift or  
3 otherwise, of necessary lands, and the construction of necessary  
4 buildings, appropriate industrial operations equipment;

5 (2) The expansion, remodeling, altering or equipping of  
6 necessary buildings;

7 (3) The making of contracts with any state, county or  
8 municipal agency or private entity necessary and incidental to the  
9 performance of its powers and duties under this section;

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

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

15 **§18B-11C-5. Rules.**

16 The board may make and adopt rules and standards for the  
17 establishment, operation, cost reimbursement, fees for services,  
18 maintenance and government control of the center established  
19 pursuant to this article, including rules and standards necessary  
20 for cooperation under and compliance with any existing or future  
21 federal statutes pertaining to grants-in-aid and other rules  
22 necessary to effectuate the purpose of this article.

NOTE: The purpose of this bill is to create the Shale Research, Education, Policy and Economic Development Center at West Virginia University. The center will foster scientific research and encourage partnerships between and among West Virginia University, government, and industry in an effort to develop best practices in relation to shale resources in West Virginia.

This article is new; therefore, it has been completely underscored.