

## **Panhandle Republican takes middle path in carbon rules**

**Warren Chisum organizes a carbon caucus to prepare for regulation from Washington.**

By Asher Price  
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The sole rule at meetings of the carbon management caucus, organized by state Rep. Warren Chisum, is that none of the 40 or so members may talk about global warming.



"If we did," he said, "it'd consume all our time."

That rule gets at the political savvy of Chisum, a Panhandle Republican who was stripped of his power as a budget writer but re-emerged as a pivotal player in the future of Texas' energy economy.

With ever more likely federal rules limiting emissions of carbon dioxide, which have been associated with global warming, Chisum has teamed up with Democrats and some Republicans to make business-friendly proposals that would give subsidies to companies that capture greenhouse gas emissions.

Chisum, in short, has sought out engagement with the federal government over carbon dioxide rules even as some leading Republicans have taken a more confrontational posture.

Gov. Rick Perry, for one, has warned against an activist Environmental Protection Agency and said the greenhouse gas rules could derail the economy in a state that is the nation's largest emitter of carbon dioxide.

But Chisum has avoided the politically divisive rhetoric of global warming, which most Texas Republican leaders are unwilling to connect to emissions from the state's power plants and manufacturing facilities.

Instead, he has focused on modest goals aimed at tamping down the state's carbon emissions by dishing out tax breaks and other incentives to industries. The proposals

could save utilities and other industries money, depending on how expensive carbon emissions become under federal limits, and could earn Texas political credit as those limits are shaped.

"There's not much sympathy for Texas" in Washington, said Chisum, who said the state should try to influence the shape of federal law. "We should try to get a legitimate seat in any rule-making that the federal government is involved in sooner rather than later."

On the face of it, Chisum, 70, came into the session a diminished figure. Under former Speaker Tom Craddick he had controlled the state's purse strings as the chairman of the House Appropriations Committee. But this session, he was assigned by Speaker Joe Straus to be vice chairman of the Environmental Regulation Committee, which he chaired in the 1990s.

In that role he has served as a consigliere to state Rep. Byron Cook, R-Corsicana, a key Straus supporter who, by his own admission, knew little about the everyday issues that come before the committee.

Cook said that Chisum has "absolutely" served as an important counsel because he "has a tremendous amount of institutional knowledge."

Those two lawmakers and the four Democrats now serving on the nine-member committee have largely changed the panel from one that last session acted as a roadblock to most proposals aimed at tightening environmental regulation to one more likely to pass out such legislation, especially pieces of policy that come out of the caucus.

That "was not the way to run an environmental committee," Chisum said. "We need to listen to everyone and work with everyone."

Chisum and Cook have been polite and fair, said Jim Marston, head of the Austin office of the Environmental Defense Fund. But he said the committee had yet to act on a range of air quality bills that will test whether the politics of the committee have shifted.

Chisum himself is the House sponsor of a measure by state Sen. Kirk Watson, D-Austin, that would instruct the state to come up with ways to cut greenhouse gas emissions that would save individuals and businesses money. The proposal, which Watson calls a "no regrets" bill, passed out of the committee unanimously.

"He gets into the cubic feet of stuff," Watson said of Chisum's attention to details.

Still, Chisum seems an unlikely champion of carbon legislation. He is a Southern Baptist who in previous sessions has made controversial proposals such as a ban on heterosexual sodomy and a mandate that married couples with children get counseling before a divorce.

He has a mixed record from environmentalists' perspective, winning an award in 1999 from the Sierra Club for his efforts to thwart a radioactive waste landfill but getting failing marks in 2007 from the Texas League of Conservation Voters.

"We've had a pretty good personal relationship with Chisum, but that doesn't mean we've agreed on everything," said Ken Kramer, director of the Lone Star Chapter of the Sierra Club.

In 2008, Chisum got \$71,000, or 18 percent of total campaign contributions he received, from energy companies, businesses and manufacturers opposed to legislation addressing climate change — more than twice as much as anyone else on the House Environmental Regulation Committee, according to an April report by the National Institute on Money in State Politics.

But the oil-pumping and power plant interests in the Panhandle, which he has represented since 1988, could be vulnerable to a federal crackdown on carbon emissions. So Chisum began the carbon management caucus in January 2008 to come up with ways to encourage the companies to capture their carbon dioxide and pump it underground. The carbon dioxide can then be used to loosen and extract hard-to-reach oil deposits. Such work has been done in the Permian Basin for three decades.

"The whole purpose is to educate members about what carbon dioxide is, how it works, how it's used for recovery of oil, and what we need to do as a state to get ready for the lower-carbon society that the feds are going to push down on us," he said.

Chisum, who has made his money as an oil and gas producer and rancher, said proposals pushed by him and the caucus do not promote any single company and said the bills would not enrich him personally.

He said the measures primarily affect utilities, since their coal-burning power plants are among the major emitters of carbon dioxide.

Chisum said the caucus aims to get rules in place at the Texas Commission on Environmental Quality, the Railroad Commission and the General Land Office for carbon capture and sequestration, even if incentives rolled out by Chisum and his allies are too low right now to get companies to invest in the capital costs, given that oil is selling relatively cheaply.

One proposal by Chisum, for example, requires the land commissioner to work with the University of Texas to study state-owned sections of the Gulf of Mexico seafloor to identify locations for a carbon dioxide repository. The state environmental agency would develop standards and rules for putting the carbon dioxide underground. That proposal, which the Legislative Budget Board estimates would cost \$2.6 million over the next two years, passed unanimously out of the Environmental Regulation Committee.

Caucus members get occasional briefings from environmentalists, scientists and free-market think tanks.

They have capitalized on a peculiar political alliance of industries hoping for subsidies fat enough to capture carbon dioxide and environmental groups desperate to limit greenhouse gases.

"It's a strange alliance," Chisum said. "Oil companies are interested in a tax advantage to do it, and environmental groups are learning that you can't wave a magic wand and not have carbon emissions."

That alliance has led to pragmatism trumping ideology. For example, Rep. Phil King, R-Weatherford, who disputes that carbon emissions have anything to do with global warming, has filed a proposal to provide state incentives for underground sequestration of carbon dioxide.

"I'm a pragmatist," said King, who has given a presentation to the caucus but doesn't count himself as a member. "To bring down electric prices, we need to build more coal and nuclear plants, and we can't build any more coal plants unless we deal with carbon dioxide."

Yet unlike Chisum, King said Texas should fight proposals in Washington to limit carbon dioxide emissions. The federal proposals amount to "a tax on energy" that would "devastate the Texas economy, kill jobs and raise electricity prices," he said.

Chisum has allies in the state Senate who also count themselves as pragmatists, such as Kip Averitt, R-Waco, who chairs the Senate Natural Resources Committee. He has filed a proposal that calls for Texas to tally its greenhouse gases and has said Texas should negotiate federal carbon limits. And Republican Reps. David Swinford and Wayne Christian have surfaced as leaders of modest initiatives to develop alternative power sources, even as they stay mum on global warming.

What gets passed by session's end might to a large degree depend on what Chisum pushes through.

"He's one of the shrewdest members at working the legislative process," said Rep. Mark Strama, D-Austin, a member of the carbon management caucus. "What's impressed me is the way Warren is doing this to get at truth without politics or ideology."

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