

Beveridge
& Diamond



State and Citizen Enforcement Update

38th Annual Texas
Environmental Superconference

Amber Ahmed, Of Counsel

August 7, 2026



Agenda

Railroad Commission

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TCEQ

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Texas Attorney General

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NGOs

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Best Practices

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Railroad Commission

- Updated rules
- Election 2026
- Increased technology



Chapter 4 Update

- First comprehensive review of oil and gas waste management rules in 40 years
- New automatic forms for pit registration, financial security, waste profiles, manifests, and environmental permit applications became mandatory in October 2025
- Dedicated environmental permit compliance team to review facility reports and inspections and follow up on deficiencies



RRC Investigation Capabilities

Investments in digital systems like ICE, OIL, and EPS data integration

Increased FTEs → more inspections

- 460,388 inspections in FY 2025
- Violations: 32,550; Major Violations: 33
- Severances / Seal Orders: 89,589 (plus 804 district-initiated severances)
- Enforcement Dockets: 577
- Repeat Violators (7-year lookback): 182
- Final Penalties Assessed: ~\$6.16M total in FY 2025

RRC Enforcement

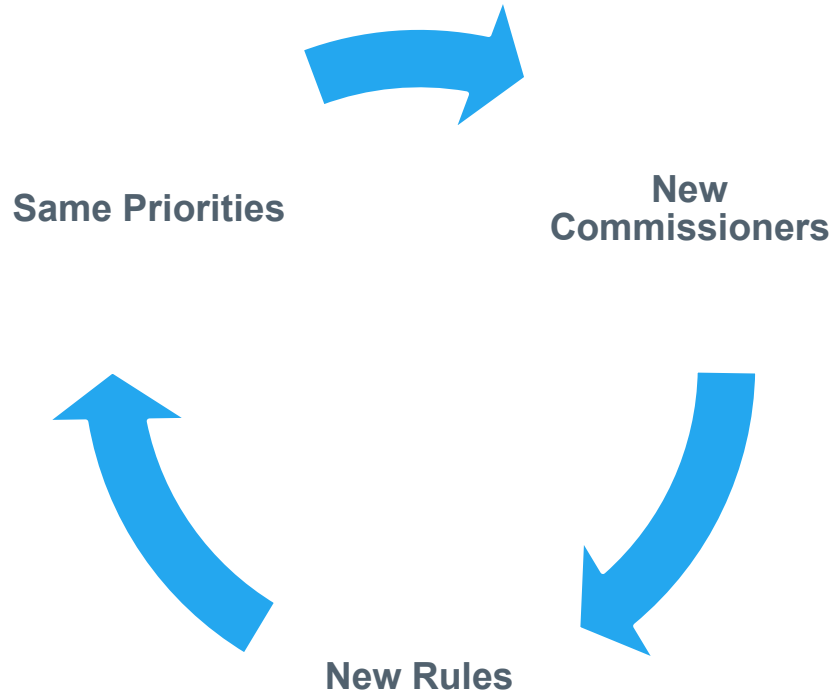
Increased use of non-penalty enforcement tools

- Severances to cut off operations until compliant
- P-5 / P-4 leverage affecting certificates of compliance and renewal authority
- Focus on repeat violators (7-year lookback)

Increased public data on flaring

- Publicly available flaring data by operator
- Metrics on flared volumes and percentages of production
- Use of advanced tools like FLIR cameras to detect unpermitted emissions

What Is New at The Q?





Compliance History Updates

- Outcome of Sunset Commission Report
- Compliance history evaluated twice annually (March 1 and September 1)
 - Five-year review period begins on the initial enforcement screening date
 - Expanded violation scoring
- New compliance history appeals process

TCEQ Enforcement Statistics

Investigations

- FY 2023: ~108,000 investigations
- FY 2024: ~105,000 investigations
- FY 2025: ~101,000 investigations

Notices of Violation (NOVs)

- FY 2023: 14,740
- FY 2024: 15,235
- FY 2025: 19,049 (increase in FY 2025, largely driven by Lead and Copper Rule amendments and drinking water violations)



Administrative Enforcement Backlog

- **“Backlog” defined**
 - More than 180 days to mail an initial proposed agreed order; or
 - More than 550 days to close the case or make the order effective
 - Includes Enforcement Division and Litigation Division cases
- **Backlog trend**
 - FY 2022: 608
 - FY 2023: 1,273
 - **FY 2024: 1,528**
 - FY 2025: 1,480
 - FY 2026 to July: 1,167

Expedited Enforcement Orders

Possible 50% penalty reduction

Mostly PST and public water system cases, with selected violations from seven other programs (for now)

Eligibility:

- Cannot include a suspected or confirmed release or spill or require remediation
- Corrected within 60 days from the date of the settlement offer
- No active or pending referrals to AG
- No pending shutdown or revocation orders
- Can only be used once every two years

Source: *Expedited Compliance Order and Proposed Implementation*
<https://www.tceq.texas.gov/downloads/agency/decisions/agendas/backup/2025/2025-1919-mis.pdf>





TCEQ Criminal Actions

- Major Drivers
 - Falsification and Record Tampering
 - Fraud and Deceptive Practices
 - False Statements to Investigators
- Managers, Environmental Staff, Consultants, Corporations
- County and District Attorneys are the charging authorities
- FY 2025: more felonies, search warrants, incarceration exposure

Updates from Texas AG

Election 2026

Headline grabbing litigation

Approach to civil penalties





Texas MAHA Initiatives

PFAS

General Mills

Crest

Investigation into pesticide spraying in grocery stores

TCEQ → AG

- The AG works on referral from TCEQ. Tex. Water Code § 7.105
- Many referrals are discretionary
- Referral mandatory:
 - Failure to obtain initial authorization for discharge, solid waste facility, air emissions
 - Repeat violators - two or more final administrative penalty orders at the facility within the preceding two years for air emissions, unauthorized discharge, wastewater systems
- Currently ~ 170 active TCEQ referrals to OAG
- Cases take ~2-7 years to resolve



Civil Penalties

Year	Total AFJs	Total Penalties (Cumulative)	Cases > \$1M
Pre-COVID	14-20	\$1M-\$2.5M	0-1
2020	19	~\$16M	2
2021	15	~\$13M	4
2022	11	~\$4M	0
2023	10	~\$82M	1
2024	11	~\$8M	2
2025	14–15	~\$95M	6–7

What Do The Big Penalty Cases Have In Common?



Refinery &
Petrochemical
Emissions



Catastrophic Event



Media Attention



Allegations of
Falsification and
Misdealing with
Agency

State v. Intercontinental Terminals Co. LLC, No. D-1-GN-19-001593 (250th Dist. Ct., Travis County, Tex. June 16, 2026)

March 2019 fire at ITC's bulk chemical storage terminal in Deer Park

Among other things, the AG argued for daily penalties per contaminant, per source, per day

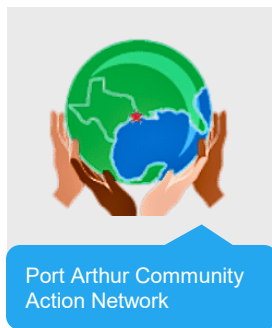
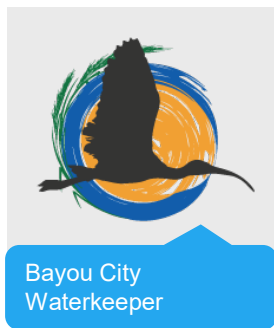
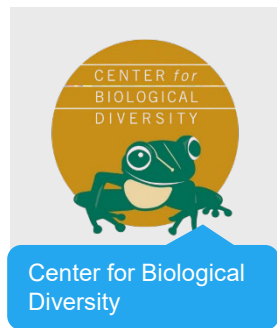
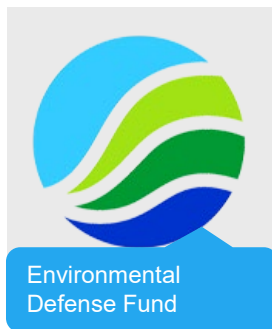
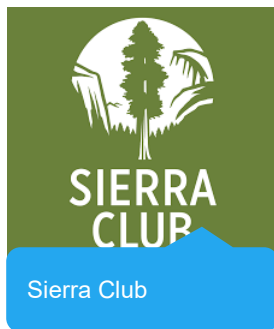
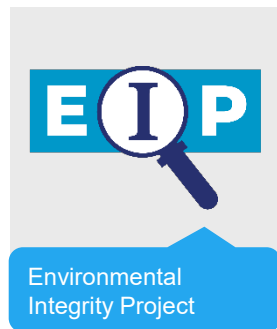
Judge Liu granted the AG's summary judgment motion in part finding ITC liable for 354 individual violations associated with air during the fire.

SETTLEMENT

ITC settles for \$6.6M with state and federal government over 2019 Deer Park chemical plant fire



Know your NGOs



NGO Goals



Block or delay projects



Challenge new and amended permits



Enforce regulations and permits



Force settlements that include citizen oversight and injunctive relief



Litigation drives mission, awareness, and fundraising goals



NGO Growth

- **War Chest (Top 6 NGOs)**
 - At least...
 - \$1.7 Billion in assets
 - 1,258 Open Cases
 - 450 Attorneys
- Influx of Former Government Attorneys
- Growing public concern over data centers and emerging contaminants
- Effective utilization of AI tools

DEEP DIVE

Texas Appeals Courts Feel Weight of Unexpected Case Influx (1)

July 9, 2026, 5:00 AM EDT; Updated: July 9, 2026, 3:01 PM EDT



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Senior Correspondent



Texas Courts of Appeals filings are up by 23% September through May, according to data shared with Bloomberg Law by the state's court administration. In raw numbers, there are 1,561 more cases this year compared to the same nine-month period a year earlier.

Photographer: ROLF VENNENBERND/POOL/AFP via Getty Images

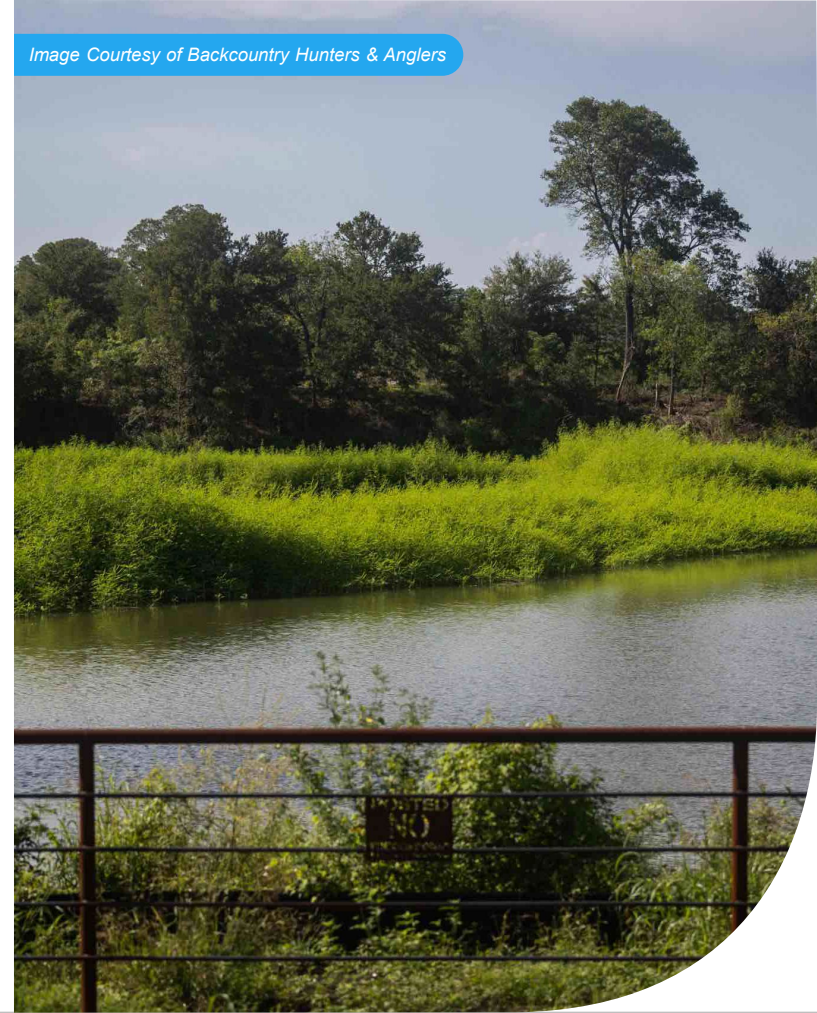
***Env't Tex. Citizen Lobby, Inc. v. ExxonMobil Corp.*, 123 F.4th 309 (5th Cir. 2024) (en banc).**

- Fifteen-year Clean Air Act citizen suit against ExxonMobil that culminated in a \$14.25 million civil penalty
- One group of judges would evaluate standing prospectively because civil penalties are intended to deter future violations. Another group viewed that approach as improperly speculative because it attempts to trace injuries that have not yet occurred to particular past violations
- The judges also disagreed over whether plaintiffs must establish traceability for each individual violation or only for a broader claim involving repeated violations of the same emission standard

***Save the Cutoff v. Iron River Ranch II, L.L.C.*,
No. 24-40717, 2025 WL 2254516 (5th Cir. Aug.
7, 2025) (per curiam).**

- Unpermitted placement of fill in Cedar Creek, a tributary of the Trinity River in East Texas
- Leaving previously discharged fill in place was not itself an ongoing discharge
- The Fifth Circuit affirmed dismissal for lack of subject-matter jurisdiction because Clean Water Act citizen suits cannot be based on wholly past violations
- Unpublished opinion

Image Courtesy of Backcountry Hunters & Anglers



Citizen Suit Reform

- EPA Prior Notice Rule
- Legislative push to eliminate citizen suits from CAA
- *Nat'l Ass'n for the Advancement of Colored People v. X.AI Corp.*, No. 3:26-CV-00074-DMB-JMV (N.D. Miss. filed Apr. 14, 2026)





Best Practices

- Compliance First
- FOIA and PIA monitoring
- Transparency



Questions?

Thank you!

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