

By: Reynolds

H.B. No. 1534

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the funding through greenhouse gas emissions fees of  
3 energy efficiency programs administered by certain utilities;  
4 authorizing a fee.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 382.0621(f), Health and Safety Code, is  
7 amended to read as follows:

8 (f) The commission may impose operating permit fees for  
9 emissions of greenhouse gas only:

10 (1) to the extent the fees are necessary to cover the  
11 commission's additional reasonably necessary direct costs of  
12 implementing Section 382.05102; or

13 (2) as authorized under Section 382.0623.

14 SECTION 2. Subchapter C, Chapter 382, Health and Safety  
15 Code, is amended by adding Section 382.0623 to read as follows:

16 Sec. 382.0623. GREENHOUSE GAS EMISSIONS FEE. (a) In this  
17 section, "carbon dioxide equivalent" means the amount of carbon  
18 dioxide by weight that would produce the same global warming impact  
19 as a given weight of another greenhouse gas, based on the best  
20 available science.

21 (b) The commission shall adopt, charge, and collect an  
22 annual fee on each facility permitted under Section 382.05185 that  
23 is subject to federal greenhouse gas reporting requirements.  
24 Except as provided by Subsection (d), the fee is in the amount of \$5

1 per ton of carbon dioxide equivalent emitted from the facility each  
2 year.

3 (c) Not later than April 15 of each year, a facility  
4 described by Subsection (b) shall submit to the commission each  
5 annual report required by federal greenhouse gas reporting  
6 requirements. The commission shall use a report received under  
7 this subsection to compute the total amount of the fee to be imposed  
8 on the reporting facility.

9 (d) The commission by rule may provide for an automatic  
10 annual increase in the amount of the fee imposed under this section  
11 in the manner provided for increasing operating permit fees by  
12 Section [382.0621\(c\)](#).

13 (e) The commission shall deposit fees collected under this  
14 section to the credit of a greenhouse gas emissions fee account  
15 established in the general revenue fund. The fees collected may be  
16 appropriated only for the purposes of Section 39.9053, Utilities  
17 Code.

18 SECTION 3. Section [39.905](#), Utilities Code, is amended by  
19 amending Subsection (f) and adding Subsection (f-1) to read as  
20 follows:

21 (f) Each unbundled transmission and distribution utility  
22 shall include in its energy efficiency plan a targeted low-income  
23 energy efficiency program, and the savings achieved by the program  
24 shall count toward the transmission and distribution utility's  
25 energy efficiency goal. The commission shall determine the  
26 appropriate level of funding to be allocated to both targeted and  
27 standard offer low-income energy efficiency programs in each

1 unbundled transmission and distribution utility service area. The  
2 level of funding for low-income energy efficiency programs shall be  
3 provided from money approved by the commission for the transmission  
4 and distribution utility's energy efficiency programs. The  
5 commission shall ensure that annual expenditures for the targeted  
6 low-income energy efficiency programs of each unbundled  
7 transmission and distribution utility are not less than 10 percent  
8 of the transmission and distribution utility's energy efficiency  
9 budget for the year. A grant received by an unbundled transmission  
10 and distribution utility under Section 39.9053 may be considered as  
11 part of the utility's energy efficiency budget. A targeted  
12 low-income energy efficiency program must comply with the same  
13 audit requirements that apply to federal weatherization  
14 subrecipients. In an energy efficiency cost recovery factor  
15 proceeding related to expenditures under this subsection, the  
16 commission shall make findings of fact regarding whether the  
17 utility meets requirements imposed under this subsection. The  
18 state agency that administers the federal weatherization  
19 assistance program shall participate in energy efficiency cost  
20 recovery factor proceedings related to expenditures under this  
21 subsection to ensure that targeted low-income weatherization  
22 programs are consistent with federal weatherization programs and  
23 adequately funded.

24 (f-1) For the purposes of Subsection (f), a "low-income  
25 energy efficiency program" is a program that offers assistance to  
26 an electric customer:

27 (1) whose household income is not more than 125

1 percent of the federal poverty guidelines; or

2 (2) who receives benefits under the supplemental  
3 nutrition assistance program established under Chapter 33, Human  
4 Resources Code.

5 SECTION 4. Subchapter 2, Chapter 39, Utilities Code, is  
6 amended by adding Section 39.9053 to read as follows:

7 Sec. 39.9053. ENERGY EFFICIENCY FUNDING. (a) The  
8 commission by rule shall establish a grant program through which  
9 electric utilities, municipally owned utilities, and electric  
10 cooperatives may receive money from the greenhouse gas emissions  
11 fee account to assist those utilities with meeting goals  
12 established under and implementing programs under Sections 39.905,  
13 39.9051, and 39.9052.

14 (b) Except as provided by Subsection (c), the commission  
15 shall make grant money available to an electric utility,  
16 municipally owned utility, or electric cooperative in proportion to  
17 the percentage of electric energy consumed by the retail customers  
18 in this state that are served by the electric utility, municipally  
19 owned utility, or electric cooperative.

20 (c) The commission shall allocate at least 50 percent of the  
21 money provided under Subsection (a) each year for programs  
22 described by Section 39.905(f).

23 SECTION 5. The Texas Commission on Environmental Quality  
24 may not provide for an increase in the amount of the fee established  
25 by Section 382.0623, Health and Safety Code, as added by this Act,  
26 to occur before August 31, 2022.

27 SECTION 6. This Act takes effect September 1, 2021.