

AN ACT

relating to the new technology implementation grant program administered by the Texas Commission on Environmental Quality.

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

SECTION 1. Section 391.002(b), Health and Safety Code, is amended to read as follows:

(b) Projects that may be considered for a grant under the program include:

(1) advanced clean energy projects, as defined by Section 382.003;

(2) new technology projects that reduce emissions of regulated pollutants from stationary sources;

(3) new technology projects that reduce emissions from upstream and midstream oil and gas production, completions, gathering, storage, processing, and transmission activities through:

(A) the replacement, repower, or retrofit of stationary compressor engines;

(B) the installation of systems to reduce or eliminate the loss of gas, flaring of gas, or burning of gas using other combustion control devices; or

(C) the installation of systems that reduce flaring emissions and other site emissions [~~by capturing waste heat to generate electricity solely for on-site service~~]; and

1 (4) electricity storage projects related to renewable
2 energy, including projects to store electricity produced from wind
3 and solar generation that provide efficient means of making the
4 stored energy available during periods of peak energy use.

5 SECTION 2. Section 391.205(a), Health and Safety Code, is
6 amended to read as follows:

7 (a) Except as provided by Subsection (c), in awarding grants
8 under this chapter the commission shall give preference to projects
9 that:

10 (1) involve the transport, use, recovery for use, or
11 prevention of the loss of natural resources originating or produced
12 in this state;

13 (2) contain an energy efficiency component;

14 (3) include the use of solar, wind, or other renewable
15 energy sources; ~~or~~

16 (4) recover waste heat from the combustion of natural
17 resources and use the heat to generate electricity; or

18 (5) reduce flaring emissions and other site emissions.

19 SECTION 3. Section 391.301, Health and Safety Code, is
20 amended to read as follows:

21 Sec. 391.301. RESTRICTION ON USE OF GRANT. A recipient of a
22 grant under this chapter must use the grant to pay the incremental
23 costs of the purchase, lease, or ~~and~~ installation of the project
24 for which the grant is made, which may include reasonable and
25 necessary expenses for the labor needed to install
26 emissions-reducing equipment. The recipient may ~~not~~ use the
27 grant for the costs of operating and maintaining the

1 emissions-reducing equipment.

2 SECTION 4. The changes in law made by this Act apply only to
3 a Texas emissions reduction plan grant awarded on or after the
4 effective date of this Act. A grant awarded before the effective
5 date of this Act is governed by the law in effect on the date the
6 award was made, and the former law is continued in effect for that
7 purpose.

8 SECTION 5. This Act takes effect September 1, 2021.

President of the Senate

Speaker of the House

I certify that H.B. No. 2361 was passed by the House on April 30, 2021, by the following vote: Yeas 121, Nays 20, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2361 was passed by the Senate on May 22, 2021, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor