

1-1 By: Geren, Bailes, Isaac (Senate Sponsor - Sparks) H.B. No. 3837  
 1-2 (In the Senate - Received from the House May 1, 2023;  
 1-3 May 2, 2023, read first time and referred to Committee on Natural  
 1-4 Resources & Economic Development; May 19, 2023, reported  
 1-5 adversely, with favorable Committee Substitute by the following  
 1-6 vote: Yeas 8, Nays 0; May 19, 2023, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15			X	
1-16	X			
1-17	X			

1-18 COMMITTEE SUBSTITUTE FOR H.B. No. 3837 By: Sparks

1-19 A BILL TO BE ENTITLED  
 1-20 AN ACT

1-21 relating to the designation of advanced clean energy projects.  
 1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:  
 1-23 SECTION 1. Section 382.003(1-a), Health and Safety Code, is  
 1-24 amended to read as follows:  
 1-25 (1-a) "Advanced clean energy project" means:  
 1-26 (A) a project for which an application for a  
 1-27 permit or for an authorization to use a standard permit under this  
 1-28 chapter is received by the commission on or after January 1, 2008,  
 1-29 and before January 1, 2020, and that:  
 1-30 (i) ~~(A)~~ involves the use of coal,  
 1-31 biomass, petroleum coke, solid waste, natural gas, or fuel cells  
 1-32 using hydrogen derived from such fuels, in the generation of  
 1-33 electricity, or the creation of liquid fuels outside of the  
 1-34 existing fuel production infrastructure while co-generating  
 1-35 electricity, whether the project is implemented in connection with  
 1-36 the construction of a new facility or in connection with the  
 1-37 modification of an existing facility and whether the project  
 1-38 involves the entire emissions stream from the facility or only a  
 1-39 portion of the emissions stream from the facility;  
 1-40 (ii) ~~(B)~~ with regard to the portion of the  
 1-41 emissions stream from the facility that is associated with the  
 1-42 project, is capable of achieving:  
 1-43 (a) ~~(i)~~ on an annual basis:  
 1-44 (1) ~~(a)~~ a 99 percent or  
 1-45 greater reduction of sulfur dioxide emissions;  
 1-46 (2) ~~(b)~~ if the project is  
 1-47 designed for the use of feedstock, substantially all of which is  
 1-48 subbituminous coal, an emission rate of 0.04 pounds or less of  
 1-49 sulfur dioxide per million British thermal units as determined by a  
 1-50 30-day average; or  
 1-51 (3) ~~(c)~~ if the project is  
 1-52 designed for the use of one or more combustion turbines that burn  
 1-53 natural gas, a sulfur dioxide emission rate that meets best  
 1-54 available control technology requirements as determined by the  
 1-55 commission;  
 1-56 (b) ~~(ii)~~ on an annual basis:  
 1-57 (1) ~~(a)~~ a 95 percent or  
 1-58 greater reduction of mercury emissions; or  
 1-59 (2) ~~(b)~~ if the project is  
 1-60 designed for the use of one or more combustion turbines that burn

2-1 natural gas, a mercury emission rate that complies with applicable  
2-2 federal requirements;  
2-3 (c) [~~(iii)~~] an annual average  
2-4 emission rate for nitrogen oxides of:  
2-5 (1) [~~(a)~~] 0.05 pounds or less  
2-6 per million British thermal units;  
2-7 (2) [~~(b)~~] if the project uses  
2-8 gasification technology, 0.034 pounds or less per million British  
2-9 thermal units; or  
2-10 (3) [~~(e)~~] if the project is  
2-11 designed for the use of one or more combustion turbines that burn  
2-12 natural gas, two parts per million by volume; and  
2-13 (d) [~~(iv)~~] an annual average emission  
2-14 rate for filterable particulate matter of 0.015 pounds or less per  
2-15 million British thermal units; and  
2-16 (iii) [~~(c)~~] captures not less than 50  
2-17 percent of the carbon dioxide in the portion of the emissions stream  
2-18 from the facility that is associated with the project and  
2-19 sequesters that captured carbon dioxide by geologic storage or  
2-20 other means; or  
2-21 (B) a project that is a facility:  
2-22 (i) for which an authorization to use a  
2-23 standard permit was approved after January 1, 2020, but before  
2-24 September 1, 2023; and  
2-25 (ii) that:  
2-26 (a) utilizes natural gas to create  
2-27 methanol; and  
2-28 (b) converts methanol to zero-sulfur  
2-29 transportation fuels.  
2-30 SECTION 2. Section 391.002(b), Health and Safety Code, is  
2-31 amended to read as follows:  
2-32 (b) Projects that may be considered for a grant under the  
2-33 program include:  
2-34 (1) advanced clean energy projects, as defined by  
2-35 Section 382.003(1-a)(A) [~~382.003~~];  
2-36 (2) new technology projects that reduce emissions of  
2-37 regulated pollutants from stationary sources;  
2-38 (3) new technology projects that reduce emissions from  
2-39 upstream and midstream oil and gas production, completions,  
2-40 gathering, storage, processing, and transmission activities  
2-41 through:  
2-42 (A) the replacement, repower, or retrofit of  
2-43 stationary compressor engines;  
2-44 (B) the installation of systems to reduce or  
2-45 eliminate the loss of gas, flaring of gas, or burning of gas using  
2-46 other combustion control devices; or  
2-47 (C) the installation of systems that reduce  
2-48 flaring emissions and other site emissions; and  
2-49 (4) electricity storage projects related to renewable  
2-50 energy, including projects to store electricity produced from wind  
2-51 and solar generation that provide efficient means of making the  
2-52 stored energy available during periods of peak energy use.  
2-53 SECTION 3. This Act takes effect September 1, 2023.

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