

By: Cook of Colorado

H.B. No. 62

A BILL TO BE ENTITLED

1 AN ACT

2 relating to energy conservation by state agencies through the use  
3 of fuel-saving technology and utility cost savings contracts.

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

5 SECTION 1. Chapter 447, Government Code, is amended by  
6 adding Sections 447.010 and 447.011 to read as follows:

7 Sec. 447.010. FUEL SAVINGS FOR STATE AGENCIES. (a) In this  
8 section and in Section 447.011:

9 (1) "Cost-effective" means resulting in fuel  
10 consumption reduction with a projected savings in fuel cost over a  
11 one-year period that exceeds the cost of purchasing and using a  
12 technology.

13 (2) "Fuel-saving technology" means a:

14 (A) device containing no lead metal that is  
15 installed on a motor vehicle or non-road diesel and that has been  
16 proven to reduce fuel consumption per mile or per hour of operation  
17 by at least five percent;

18 (B) fuel additive registered in accordance with  
19 40 C.F.R. Part 79 that contains no known mutagenic materials and  
20 that has been proven to reduce fuel consumption per mile or per hour  
21 of operation by at least five percent; or

22 (C) fuel registered in accordance with 40 C.F.R.  
23 Part 79 that contains no known mutagenic materials and that has been  
24 proven to reduce fuel consumption per mile or per hour of operation

1 by at least five percent.

2 (3) "Motor vehicle" and "non-road diesel" have the  
3 meanings assigned by Section 386.101, Health and Safety Code.

4 (4) "Proven fuel-saving technologies" means  
5 technologies shown to reduce fuel use by at least five percent in:

6 (A) an Environmental Protection Agency fuel  
7 economy federal test protocol test performed at a laboratory  
8 recognized by the Environmental Protection Agency;

9 (B) a fuel economy test performed in accordance  
10 with protocols and at testing laboratories or facilities recognized  
11 by the state energy conservation office, the Texas Commission on  
12 Environmental Quality, or the Environmental Protection Agency; or

13 (C) a field demonstration performed in  
14 accordance with Section 447.011.

15 (b) A state agency with 10 or more motor vehicles or  
16 non-road diesels shall reduce the total fuel consumption of the  
17 vehicles or diesels by at least five percent from fiscal year 2002  
18 consumption levels through the use of cost-effective fuel-saving  
19 technologies.

20 (c) A state agency may delay reducing fuel use as described  
21 in this section until a list of proven fuel-saving technologies is  
22 provided by the state energy conservation office as provided by  
23 Section 447.011.

24 (d) A state agency may not purchase or use as a fuel-saving  
25 technology a technology that:

26 (1) is known to increase oxides of nitrogen emissions  
27 or toxic air contaminants; or

1           (2) may be reasonably concluded to degrade air quality  
2 or human health or to negatively impact the environment.

3           (e) A state agency may purchase cost-effective fuel-saving  
4 technologies out of the agency's fuel budget.

5           (f) A state agency shall competitively evaluate similar  
6 fuel-saving technologies.

7           (g) A state agency may require a seller of a fuel-saving  
8 technology to refund the cost of the technology if it is determined  
9 to be ineffective at reducing fuel use by at least five percent  
10 before the 91st day after the date the technology is first used by  
11 the agency.

12           (h) A state agency may use fuel-saving technologies that the  
13 agency determines are cost-effective and may use a fuel-saving  
14 technology in applications that provide other benefits, including  
15 emissions reductions.

16           (i) A state agency may establish a program for agency  
17 employees to voluntarily:

18                   (1) purchase fuel-saving technologies; and

19                   (2) document reductions in fuel savings and air  
20 emissions.

21           (j) A state agency shall annually report to the state energy  
22 conservation office on a form provided by the office on the state  
23 agency's efforts and progress under this section.

24           Sec. 447.011. FIELD DEMONSTRATIONS. (a) Under the  
25 direction of the state energy conservation office, the Texas  
26 Department of Transportation shall demonstrate the effectiveness  
27 of at least four fuel-saving technologies on a combined maximum of

1 100 motor vehicles or non-road diesels in accordance with this  
2 section to determine the fuel-saving technologies that may  
3 cost-effectively reduce fuel consumption and save state revenue.

4 (b) Varying ages and types of motor vehicles and non-road  
5 diesels shall be selected to demonstrate the fuel-saving  
6 technologies. Preference shall be given to high-use motor vehicles  
7 and non-road diesels in the selection.

8 (c) The Texas Department of Transportation shall  
9 demonstrate the performance of fuel-saving technologies by:

10 (1) assessing a technology's performance in the normal  
11 course of operations of motor vehicles or non-road diesels; and

12 (2) performing controlled field tests.

13 (d) In selecting the technologies to be evaluated, the state  
14 energy conservation office shall:

15 (1) consult with governmental and business  
16 organizations that are currently using fuel-saving technology;

17 (2) consider technologies that are proven fuel-saving  
18 technologies that have demonstrated fuel economy benefits of five  
19 percent or more in field tests or recorded use data of government  
20 organizations or businesses that operate fleets; and

21 (3) determine whether each technology selected has the  
22 potential to be cost-effective.

23 (e) A fuel-saving technology may be disqualified from being  
24 demonstrated or used if it is known to reduce engine performance,  
25 reduce the life of the engine, require additional maintenance  
26 expenses, or degrade air quality.

27 (f) The Texas Council on Environmental Technology, The

1 University of Texas Center for Transportation Research, the  
2 University of Houston Diesel Emissions Center, or another agency  
3 may be designated to assist with executing the demonstration,  
4 compiling the results, estimating the potential average fuel  
5 savings of the technologies in different applications, or preparing  
6 a final report.

7 (g) On completing the demonstration described by this  
8 section the state energy conservation office shall rank the  
9 fuel-saving technologies based on their fuel savings, other cost  
10 savings, and overall cost-effectiveness. The office shall:

11 (1) list recommended applications of the  
12 technologies;

13 (2) document other negative or positive effects; and

14 (3) prepare a concise report of these findings.

15 (h) The Texas Council on Environmental Technology shall  
16 obtain information on any fuel-saving technology that appears to  
17 reduce particulate matter, oxides of nitrogen, carbon monoxide, or  
18 hydrocarbon emissions. The Texas Council on Environmental  
19 Technology may use this information to fund the Environmental  
20 Protection Agency verification of a technology in accordance with  
21 Section 387.003, Health and Safety Code.

22 (i) The state energy conservation office shall provide the  
23 report prepared under Subsection (g) to each state agency with 10 or  
24 more motor vehicles or non-road diesels and to the Legislative  
25 Budget Board.

26 (j) The demonstration and associated reports described by  
27 this section shall be completed not later than September 1, 2004.

1       (k) All results of a demonstration project under this  
2 section shall be made public on the state energy conservation  
3 office's Internet website.

4       (l) The state energy conservation office shall provide  
5 quarterly an updated list of all proven fuel-saving technologies on  
6 its Internet website.

7       (m) Money from the state highway fund may not be used for the  
8 purchase, installation, maintenance, or operation of the  
9 fuel-saving technologies being assessed or subjected to controlled  
10 field tests under this section. Repairs to state equipment  
11 resulting from demonstrations of fuel-saving technologies must be  
12 paid from the same funds used to implement this section.

13       SECTION 2. Chapter 2113, Government Code, is amended by  
14 adding Subchapter E to read as follows:

15       SUBCHAPTER E. RESTRICTIONS ON CAPITAL EXPENDITURES

16       Sec. 2113.301. PREFERENCE FOR FINANCING CERTAIN CAPITAL  
17 EXPENDITURES WITH MONEY GENERATED BY UTILITY COST SAVINGS CONTRACT.

18       (a) In this section:

19               (1) "State facility purpose" means a purpose related  
20 to:

21                       (A) the maintenance of a state-owned or  
22 state-leased building or facility; or

23                       (B) a project as defined by Section 2166.001,  
24 including a project described by Section 2166.003.

25               (2) "Utility cost savings contract" means a contract  
26 under Subchapter I, Chapter 2166, or other law that guarantees  
27 utility cost savings for energy conservation measures to reduce

1 energy or water consumption or to reduce operating costs of  
2 governmental facilities.

3 (b) Before a state agency may use appropriated money to make  
4 a capital expenditure for a state facility purpose, the state  
5 agency must determine whether the expenditure could be financed  
6 with money generated by a utility cost savings contract.

7 (c) If it is practicable to do so, a state agency that is  
8 using appropriated money must finance a capital expenditure for a  
9 state facility purpose with money generated by a utility cost  
10 savings contract.

11 (d) If it is not practicable for a state agency that is using  
12 appropriated money to finance a capital expenditure for a state  
13 facility purpose with money generated by a utility cost savings  
14 contract, the state agency must provide justification to the  
15 Legislative Budget Board for the capital expenditure.

16 (e) In determining under Subsection (b) whether a capital  
17 expenditure could be financed by a utility cost savings contract, a  
18 state agency must consider whether utility cost savings generated  
19 by any department of that agency could be a potential means of  
20 financing a capital expenditure for any department of that agency.  
21 Money generated by a utility cost savings in one department of a  
22 state agency may be used to finance capital expenditures for a state  
23 facility purpose in any department of that agency.

24 SECTION 3. This Act takes effect November 1, 2003.