

By: Swinford

H.B. No. 9

A BILL TO BE ENTITLED

AN ACT

relating to the conservation of energy and water by state agencies.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27 (2) may be reasonably concluded to degrade air quality

1 or human health or to negatively impact the environment.

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

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

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

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

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

17 (1) purchase fuel-saving technologies; and

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

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

23 Sec. 447.011. FIELD DEMONSTRATIONS. (a) Under the
24 direction of the state energy conservation office, the Texas
25 Department of Transportation shall demonstrate the effectiveness
26 of at least four fuel-saving technologies on a combined maximum of
27 100 motor vehicles or non-road diesels in accordance with this

1 section to determine the fuel-saving technologies that may
2 cost-effectively reduce fuel consumption and save state revenue.

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

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

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

11 (2) performing controlled field tests.

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

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

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

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

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

26 (f) The Texas Council on Environmental Technology, The
27 University of Texas Center for Transportation Research, the

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

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

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

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

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

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

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

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

27 (k) All results of a demonstration project under this

1 section shall be made public on the state energy conservation
2 office's Internet website.

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

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

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

14 SUBCHAPTER E. RESTRICTIONS ON CAPITAL EXPENDITURES

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

17 (a) In this section:

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

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

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

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

1 governmental facilities.

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

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

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

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

23 (f) This section does not apply to an institution of higher
24 education as defined by Section 61.003, Education Code.

25 (g) This section does not apply to a capital expenditure for
26 a state facility purpose that requires expeditious action to:

27 (1) prevent a hazard to life, health, safety, welfare,

1 or property; or

2 (2) avoid undue additional cost to the state.

3 (h) The Texas Building and Procurement Commission shall
4 appoint a task force to develop design recommendations that are to
5 be used for state facilities and that encourage rain harvesting and
6 water recycling by state agencies using appropriated money to
7 finance a capital expenditure for a state facility purpose.

8 SECTION 3. This Act takes effect December 1, 2003.