

1-1 By: Van de Putte S.B. No. 1039
1-2 (In the Senate - Filed March 7, 2003; March 17, 2003, read
1-3 first time and referred to Committee on Business and Commerce;
1-4 April 28, 2003, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 9, Nays 0; April 28, 2003,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1039 By: Van de Putte

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to fuel cell demonstration and deployment for electric
1-11 generation.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. The legislature finds that:

1-14 (1) a fuel cell deployment incentive program is
1-15 necessary to assure economic development and to leverage federal
1-16 money available for fuel cells and fuel cell power plants;

1-17 (2) stimulating the market for fuel cells and fuel
1-18 cell power plants in this state will create in this state jobs in
1-19 the manufacture, installation, and maintenance of fuel cells;

1-20 (3) creating a robust market for fuel cells and fuel
1-21 cell power plants in this state will help to mitigate air pollution
1-22 concerns that threaten economic development in this state; and

1-23 (4) research and development of fuel cells and fuel
1-24 cell power plants in this state's institutions of higher education
1-25 will assure continued economic development of the fuel cell
1-26 industry and related industries and will place this state at the
1-27 forefront of clean power technologies.

1-28 SECTION 2. Section 386.252, Health and Safety Code, is
1-29 amended by adding Subsection (c) to read as follows:

1-30 (c) The council may impose on a recipient of a grant under
1-31 the new technology research and development program a fee in an
1-32 amount equal to not more than five percent of the amount of the
1-33 grant. A fee collected under this subsection may be used by the
1-34 council only to:

1-35 (1) monitor the progress of a project;
1-36 (2) disseminate information about accomplishments
1-37 related to a project;

1-38 (3) track the deployment of technology into the
1-39 marketplace; or

1-40 (4) provide estimates of the effects that
1-41 commercialization of funded projects may have on the environment.

1-42 SECTION 3. Section 387.001, Health and Safety Code, is
1-43 amended to read as follows:

1-44 Sec. 387.001. DEFINITIONS [~~DEFINITION~~]. In this chapter:

1-45 (1) "Fuel cell power plant" means an integrated system
1-46 composed of a fuel cell stack assembly and associated components
1-47 that uses a fuel and oxygen to generate electricity by
1-48 electrochemical means.

1-49 (2) "Program" [~~, "program"~~] means the new technology
1-50 research and development program.

1-51 SECTION 4. Section 387.003, Health and Safety Code, is
1-52 amended by amending Subsection (b) and adding Subsection (c) to
1-53 read as follows:

1-54 (b) Under the program, the Texas Council on Environmental
1-55 Technology shall provide grants to be used to support development
1-56 of emissions-reducing technologies that may be used for projects
1-57 eligible for awards under Chapter 386 and other new technologies
1-58 that show promise for commercialization.

1-59 (c) The primary objective of this chapter is to promote the
1-60 development of commercialization technologies that will support
1-61 projects that may be funded under Chapter 386 and this chapter,
1-62 including advanced technologies such as fuel cells, catalysts, and
1-63 fuel additives.

SECTION 5. Subsection (a), Section 387.006, Health and Safety Code, is amended to read as follows:

(a) An application for a technology grant under this chapter must show clear and compelling evidence that:

(1) the proposed technology project has a strong commercialization plan and organization; and

(2) the technology proposed for funding: (A) is likely to be offered for commercial sale in this state within five years after the date of the application for funding; and

(B) once commercialized, will offer opportunities for projects eligible for funding under Chapter 386 or can be the basis for receiving benefits under incentive programs for reducing emissions of air pollutants.

SECTION 6. Section 387.009, Health and Safety Code, is amended to read as follows:

Sec. 387.009. ADVISORY COMMITTEES. (a) The Texas Council on Environmental Technology may appoint advisory committees as necessary or desirable to assist the council in performing its duties. An advisory committee may include representatives of industry, environmental groups, consumer groups, local governments, agriculture, the commission, the General Land Office, the Public Utility Commission of Texas, the state energy conservation office, and the Railroad Commission of Texas.

(b) The Texas Council on Environmental Technology shall appoint an advisory committee on fuel cell power plant technology to provide input to the council regarding the council's responsibilities under Section 387.010.

(c) Any senator or representative desiring to do so may participate on any advisory committee appointed under this section.

(d) Members of an advisory committee are not entitled to compensation.

SECTION 7. Section 387.010, Health and Safety Code, is amended to read as follows:

Sec. 387.010. REPORTS. (a) Not later than December 1 of each even-numbered[, 2002, and not later than December 1 of each subsequent second] year, the Texas Council on Environmental Technology shall:

(1) report to the legislature on projects funded under the new technology research and development program, describing the technical objectives and accomplishments of the project and the progress of the project technology toward commercialization; and

(2) provide legislative recommendations on additional steps the state could take to further assist the commercialization of advanced environmental technologies, including stationary and mobile applications of fuel cell power plants, and to facilitate the attraction or use of private and federal money for development of the technologies in this state.

(b) Using sound science, the report under Subsection (a)(1) shall detail the costs and actual realized benefits of the program and of each project funded under the program.

SECTION 8. Subchapter H, Chapter 151, Tax Code, is amended by adding Section 151.356 to read as follows:

Sec. 151.356. STATIONARY FUEL CELL POWER PLANTS. (a) The sale of stationary fuel cell power plants is exempted from the taxes imposed by this chapter.

(b) This section expires January 1, 2011.

SECTION 9. This Act takes effect September 1, 2003.

* * * * *