

## **BILL ANALYSIS**

C.S.H.B. 965  
By: Haggerty  
Environmental Regulation  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

In 1999, the Texas Legislature authorized the Texas Commission on Environmental Quality (TCEQ) to initiate programs designed to reduce emissions of nitrogen oxides (NOX). One program involved proposing new NOX emissions standards for all new and replacement natural gas residential water heaters in Texas. The new standards would require that water heaters comply with a 10 nanogram per joule (ng/J) emissions specification.

In December 2004, the TCEQ voted to delay the implementation of the new standards for two years because no residential water heaters which would meet the 10ng/J standards were available on the market. No such heaters are available on the market today, nor is there a timeline available for their development. Manufacturers of gas residential water heaters acknowledge that units developed to the 10 ng/J standard would be more costly than units available today.

C.S.H.B. 965 would exclude residential water heater emissions from TCEQ authority.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

The bill amends current law to create a new section in the Health and Safety Code that defines the term "residential water heater" as a water heater that is designed primarily for residential use and has a maximum rated capacity of 75,000 British thermal units per hour.

C.S.H.B. 965 forbids the Texas Commission on Environmental Quality from adopting or enforcing a rule, determination or order relating to emissions from residential water heaters.

The bill requires that any emission reductions related to residential gas water heaters that the TCEQ does not adopt because of the provisions added by the bill will be replaced by a requirement that will obtain emissions reductions from the same category.

### **EFFECTIVE DATE**

Provides that the Act will take effect immediately if it receives a vote of two-thirds of all members elected to each house. If not, the Act will take effect on September 1, 2005.

### **COMPARISON OF ORIGINAL TO SUBSTITUTE**

C.S.H.B. 965 modifies the original by defining a residential water heater as having a capacity of 75,000 British thermal units per hour rather than 2 million.

The substitute adds language to the original to require that any emission reductions related to residential gas water heaters that the TCEQ does not adopt because of the provisions added by the bill will be replaced by a requirement that will obtain emissions reductions from the same category.

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