LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 17, 2005

TO: Honorable Kenneth Armbrister, Chair, Senate Committee on Natural Resources

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: **SB1523** by Zaffirini (Relating to air pollutant emissions from electric generating facilities; providing for an administrative penalty.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would limit mercury emissions from electric generating facilities to 10 percent of the total emissions during 2002 for any given fiscal year. For a facility that was not in operation for all or part of 2002 or that was not operating at full capacity during that year, the Texas Commission on Environmental Quality (TCEQ) could set a level that corresponds to 10 percent of what the commission estimates the facility would have emitted had the facility operated at full capacity during that year.

Any costs to the TCEQ in implementing the provisions of the bill are expected to be minimal.

Local Government Impact

A local government entity that owns and operates an electric generating facility would be required to install and implement control technologies to achieve the required 90 percent reduction in mercury emissions. The facilities would also be required to perform additional monitoring and testing. The cost would depend on the age and size of a facility. Costs would be especially large for municipally owned electric utilities that obtain power from coal plants.

A municipally owned electric utility that did not reduce emissions would be subject to penalties assessed by the commission. Fiscal implications to noncompliant utilities would depend on the amount of the penalty determined by the commission.

Source Agencies: 582 Commission on Environmental Quality

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