

## **BILL ANALYSIS**

C.S.H.B. 1673  
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Agriculture & Livestock  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The large dairy industry has caused excess methane runoff in the Bosque River Area and is currently affecting the water supply in the Waco and Sulphur Springs areas. Due to the strict environmental laws and the increase in methane pollution, one step toward solving this problem is to incentive renewable methane production. This would motivate the dairy industry to collect waste and use it as energy on the farm or sell it for a profit.

The economic analysis of different biofuels shows that biodiesel is not as driven as renewable methane or fuel ethanol; therefore incentive should be decreased for production. This bill would produce incentive in renewable methane production and would include renewable methane in the Fuel Ethanol and Biodiesel Incentive Program administered by the Texas Department of Agriculture.

### **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**

CSHB 1673 amends Chapter 16 of the Agriculture Code by providing a definition of renewable methane and including renewable methane in the incentive program of the Department of Agriculture along with fuel ethanol and biodiesel production. The measurement of MMBtus shall be included in all areas where a gallon measurement of fuel ethanol or biodiesel occurs. For each registered biodiesel plant the office will charge a 1.6 cent fee per gallon produced and the producer will receive 10 cents for each gallon of biodiesel produced until the 10th anniversary of the production date of that plant. This biodiesel fee charge and payment will only occur on or after the effective date of the bill which is September 1, 2007

### **EFFECTIVE DATE**

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007

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

The substitute changes the fee charge and payment of biodiesel production under the incentive program of the Department of Agriculture and provides that changes in the charge will apply only to biodiesel produced on or after the effective date of this bill.

The substitute removes "landfill gas" in the definition of "renewable methane."